Austria Sch22	Indonesia Rp3100	Portugal Esc100
Bahrain Din0.650	Israel NIS3.50	S.Arabia Rls12.00
Belgium BFr48	Italy L1600	Singapore S$4.10
Canada C$1.00	Japan Y600	Spain Pta125
Cyprus C£0.90	Jordan Fils500	Sri Lanka Rup30
Denmark DKr9.00	Kuwait Fils500	Sweden SKr9.00
Egypt E£2.25	Lebanon $1.25	Switzerland SFr2.20
Finland Fmk7.00	Lux LFr48	Taiwan NT$65
France FFr6.50	Malaysia Rlm4.25	Thailand Bht30
Germany DM2.20	Mexico Pes300	Tunisia Din1.000
Greece Dr100	Morocco Dh6.00	Turkey L500
Hong Kong HK$12	Neth Fl3.00	UAE Dh6.50
India Rup15	Norway NKr10.00	USA $1.00

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 30,461 Thursday February 11 1988 D 8523 A

China: there's a Muscovite in the kitchen, Page 14

World News

Bangladesh suspends polls after 39 killings

At least 39 people were killed and more than 1,000 injured as rival political groups fought with guns, bombs and knives during rural elections in Bangladesh.

Voting was suspended in more than 500 centres because of violence and police said they had arrested at least 300 people.

South Africans crush Bophuthatswana coup

South African troops poured into Bophuthatswana and crushed a coup by armed forces of the nominally independent black homeland.

President Lucas Mangope, overthrown earlier in the day, was reportedly rescued from the local football stadium and driven back to the presidential palace in a South African military convoy. Page 14; Rich veins of wealth, Page 3

Waldheim forgery

Yugoslavia said that the telegram published in the West German magazine Der Spiegel implicating Austrian President Kurt Waldheim in Nazi war crimes was a forgery, and that an investigation was under way. Earlier story, Page 2

Sino-Soviet talks

Soviet and Chinese experts completed 10 days of talks in Moscow on the possibility of conducting joint aerial photography above the contested eastern part of their border, Tass said.

Madrid metro strike

Madrid's metro drivers began a series of two-hour stoppages to press claims for more pay and a shorter working day.

Sudan returns trucks

Sudan said it was returning 10 trucks its army had seized from relief agencies trying to feed starving people in the south.

'Bury N-plants' call

Soviet nuclear physicist Andrei Sakharov suggested nuclear reactors be built underground to prevent radioactive fall-out escaping into the atmosphere in the event of a Chernobyl-type accident.

Palestinians on strike

More than 85,000 Palestinians observed a general strike at two refugee camps in south Lebanon to protest at the abduction of two Scandinavian UN relief workers.

French farmers protest

More than 10,000 French farmers marched through the streets of Angers and Reims calling on the Government to defend their interests at this week's European summit.

Strike campaign looms

Portuguese unions were planning strikes in key services during the next fortnight in a campaign for higher wages. Page 2

Malay party talks

Senior Malay leaders held urgent talks aimed at preventing what they feared could become an irrevocable split in Malaysia's ruling party. Page 3

Traders charged

The US attorney's office brought a wide range of charges against 10 traders from Chicago's futures exchanges as part of a crackdown on commodities fraud launched last year. Page 4

Hong Kong reforms

Hong Kong backed away from making major political reforms this year and will not introduce any direct elections before 1991. Page 14

Academy deflowered

The Soviet Academy of Science's collection of rare orchids in the Ukraine was stolen by a man later caught selling them at 100 roubles ($165) a flower.

Business Summary

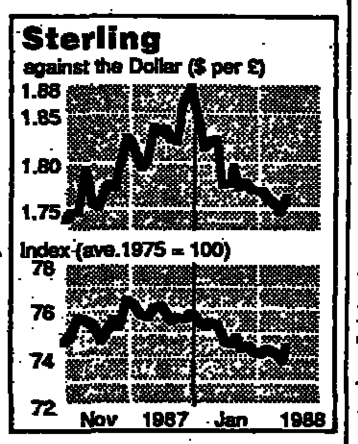
Wall Street surges on interest rates hope

WALL STREET stocks advanced strongly on hopes of lower interest rates and optimism about the US trade figures, due out tomorrow. The Dow Jones industrial average closed 47.58 higher at 1,962.04. Page 34

FORD'S three-year pay and conditions offer, which has led to a strike by 32,500 workers, aims to mark a complete break with the company's traditional production methods, according to a confidential company plan. Page 14; Analysis, Page 7

NEWS CORPORATION, Rupert Murdoch's international media concern, cut the cost of holding its 20 per cent stake in Pearson, which publishes the Financial Times, by issuing £147m ($257m) worth of preference shares convertible into Pearson shares. Page 15

STERLING closed in New York at $1.7580. It closed in London at $1.7615 ($1.7465); DM2.9775 (DM2.9700); Y227.25



(Y225.50); SFr2.4425 (SFr2.4325); FFr10.0575 (FFr10.0175). Page 23

TOKYO: Wall Street's overnight recovery lifted the Nikkei stock average 109.61 to 23,771.88. Page 34

LONDON: FTSE 100-share index closed 11.5 up at 1718.5 in subdued trading. Page 30

DOLLAR closed in New York at DM1.6935, Y129.05, SFr1.3885, FFr5.7190. It closed in London at DM1.6900 (DM1.7000); Y129.0 (Y129.15); SFr1.3860 (SFr1.3925); FFr5.7100 (FFr5.7350). Page 23

SWISS VOLKSBANK, the country's fourth largest commercial bank, reported a 0.7 per cent dip in earnings last year to SFr115.5m ($83.7m). Page 17

KYMMENE, Finland's largest forest products group, more than doubled 1987 profits to FM750m ($182m). Page 17

DART GROUP, US retailer, has raised its offer for Stop & Shop Companies by $6 a share to $37, valuing the supermarket and discount store chain at $1.03bn. Page 15

AGA, Swedish industrial gas group, reported profits 20 per cent up at SKr1.01bn ($166.6m) for 1987. Page 15

AMDAHL, supplier of IBM-compatible mainframe computers, and Sun Microsystems, computer workstation maker, have agreed to co-operate in the development of network software standards. Page 15

ASSICURAZIONI Generali, Italy's largest insurance company, has taken a stake of over 9 per cent in Compagnie du Midi, the diversified French insurance group. Page 15

SIDOR (Siderurgica del Orinoco), Venezuela's largest steelmaker, earned net profits of $27.2m in 1987 on sales of $897m, down from $70.3m in 1986. Page 18

GERALD ROSENFELD has become the first chief financial officer to resign from Salomon Brothers, the Wall Street investment firm. Page 17

MACMILLAN Bloedel, Canadian forest products company, reported record earnings, up 57 per cent to C$280.6m from C$178.3m. Page 15

GOODYEAR, biggest US tyre and rubber goods manufacturer, reported profits of $167m in the fourth quarter and $771m for 1987. Page 15

OLD JOBBING SYSTEM WOULD HAVE FAILED DURING STOCK EXCHANGE CRASH

UK market defends performance

BY CLIVE WOLMAN IN LONDON

THE UK Stock Exchange yesterday produced a detailed defence against the criticisms of its performance during the equity market crash last October.

Sir Nicholas Goodison, the Stock Exchange chairman, said that the Exchange's quarterly survey of the quality of its markets vindicated the new market structure, in operation since the Big Bang reforms of October 1986.

If the old jobbing system had still been active, he said, it would have seized-up under the weight of selling orders on October 19 and 20 and precipitated a financial crisis.

Sir Nicholas also said that the Exchange opposed proposals, made by official enquiry reports in the US, that in periods of high volatility, trading halts or price limits should be imposed to calm sentiment.

Such devices were futile, he said, as investors found other ways of trading or protecting their positions.

The Exchange's survey also showed a massive increase in the costs of dealing in shares, particularly in large sizes, since October.

The spreads charged by the market-makers between the best buying and selling prices for individual shares were approximately twice as wide in December as they were before the crash.

And the number of shares in which it is possible to deal at quoted prices has fallen by 50 per cent for the most actively traded alpha stocks and by 66 per cent for beta stocks.

The survey also demonstrates how seriously the market-makers misjudged the extent of the fall in prices.

Before the market opened on the first day of the crash, Monday October 19, the market-makers were already holding large portfolios of shares. After prices started falling sharply, they started buying more and more shares from investors at what proved to be artificially high prices in the belief that prices would bounce back. During the course of the day, they accumulated a net addition of £250m ($437.5m) worth of shares to their holdings.

However, overnight, after an even more precipitous collapse on Wall Street, there was a major change in policy. All the market-makers widened their dealing spreads by a factor of more than two, slashed their maximum dealing sizes and began to run down their large holdings of shares.

As part of a point-by-point defence against the various criticisms of the Exchange, Mr Keith Goldie-Morrison, chairman of the quality of markets committee, discussed the difficulties that investors experienced in dealing because of the market-makers' failure to answer their telephones.

The evidence suggested, he said that this was an inevitable result of the unprecedented volumes of trading

Continued on Page 14
Details, Page 6; Editorial comment, Page 12; Lex, Page 14

Bonn ready to compromise on EC cash crisis

BY DAVID BUCHAN AND TIM DICKSON IN BRUSSELS

WEST GERMANY has signalled that it is prepared to make modest compromises in advance of today's special EC summit meeting called to try to resolve the Community's chronic financial crisis.

But it is likely that Britain will demand further movement. If Mrs Margaret Thatcher, the Prime Minister, is to put her name to a deal.

The 12 heads of state will have on the table at their two days of tough negotiations a paper drafted by the Bonn Government, currently president of the EC Council of Ministers.

The paper indicates that Bonn, a key protagonist as well as referee in this week's debates, has shifted ground, but not yet far enough to meet the prior demands of Britain on farm spending, Spain on structural economic aid, and Italy on theproposed new system of EC financing.

These are all part of a complex package of budgetary reforms designed to put Community finances on a stable long-term footing.

Reflecting the cliff-hanger atmosphere building up in Brussels, Mr Jacques Delors, the EC Commission President, said yesterday that "while all the elements for a successful summit exist, so do all the ingredients for a crisis".

The past year of failed negotiations, including two largely abortive summits, have narrowed down the points of disagreement between the member states to a handful. But they are "the really hard nuts to crack" commented one UK official.

$1.3bn research project approved

The European Parliament yesterday approved an Ecu1.6bn (about $1.3bn) scheme to promote collaborative research in information technology, writes William Dawkins in Brussels. The funds, long delayed by disputes over the European Community's research budget, look certain to start flowing to the 500 companies involved by mid-May. The project, Esprit II, is the largest in the Community's Ecu5.2bn research programme for the five years to 1992 and involves nearly 3,000 full-time scientists.

Many member states had hoped the German presidency would take single recommendations to resolve the remaining dispute on farm spending, regional and social aid, and new Community resources. They hoped that Bonn would thereby reveal openly its own negotiating hand, and also simplify the debate procedurally.

But Mr Delors, aligning himself pretty closely with the EC presidency without actually endorsing its draft compromise, told a press conference that he had advised Bonn to table a range of options, rather than flat recommendations. "Otherwise, Germany's partners

Continued on Page 14
Background, Page 2; Editorial comment, Page 12

US seeks to initiate direct Israeli-Arab talks in three months

BY ANDREW WHITLEY IN JERUSALEM

THE PEACE PLAN for the Middle East presented to Israel yesterday by US envoy Richard Murphy proposes an international conference that would lead to direct negotiations between Israel and its Arab neighbours within the next three months.

Talks on a permanent solution for the territories occupied by Israel could begin by the end of the year.

Details of the proposals put to Arab and Israeli leaders during the US State Department envoy's four-day tour of the region, during which he met with the leaders of Israel, Jordan, Syria, Saudi Arabia and Egypt, emerged yesterday. They include:

● Agreement by Israel and Jordan within the coming weeks on "a statement of principles" after further shuttle diplomacy by US diplomats. Reports of secret, direct talks between officials of the two countries were denied yesterday by the Israeli Foreign Ministry.

● Holding elections during 1988 to a new self-governing authority for the West Bank and Gaza Strip regions, replacing Israel's discredited, military-run Civil Administration.

● About six months of direct, face-to-face talks between Israel and its neighbours – arranged in bilateral "geographical groups" – on the details of the far-reaching self-rule envisaged during a transitional period for the territories. Whether or not these talks are concluded by the end of 1988, separate negotiations would then automatically commence on final arrangements.

● Shortening of the five-year autonomy period agreed in the 1978 Camp David accords to three years. To placate Arab concerns over a return to what is widely regarded in the region as an outmoded concept, the word "autonomy" is being discreetly dropped from working drafts. Mr Shamir could, however, continue to insist to his own party's right-wing that he remains faithful to the principles of Camp David.

Mr Yitzhak Shamir, the Israeli Prime Minister, who met the US envoy on Monday night, is known to be sceptical, in particular over the year-end deadline for the start of final negotiations, and the proposed international meeting – a suggestion he has long opposed.

Last week, Mr Shamir also ruled out the possibility of local elections in the occupied territories in the near future, saying this was "not on the agenda."

However, Mr Shimon Peres, the Foreign Minister, has given the US plan a cautious welcome.

A senior Western diplomat, challenging the conventional wisdom that Washington is unlikely to put much effort into achieving a real breakthrough on the Middle East during a US presidential election year, said yesterday that the State Department had come to the conclusion that there was nothing to lose by making an all-out effort.

Central to the US strategy is the speeded-up timetable and the firm link being created between the proposed interim and final solutions.

Auditors in US told to crack down on fraud

By Roderick Oram in New York

US ACCOUNTANTS have been made specifically responsible for actively seeking out corporate fraud as part of the widest-ranging changes in American auditing practices in almost 50 years.

"These new standards should bring auditor responsibility and performance closer to public perceptions," said Mr Dan Guy, Vice President of auditing at the American Institute of Certified Public Accountants.

The institute, the main US body representing accountants, said auditors must "design the audit to provide reasonable assurance of detecting errors and irregularities that are material" and report any found to the audited company's board.

The new rules become effective next January 1. Auditors will also be required actively to review and state whether the company can continue to operate in the coming year. Under current rules auditors need only respond to questions of fraud or viability if the audit raises any doubts in those areas.

Criticism of the profession's ability to detect fraud has grown in recent years as the result of a rising number of fraud-linked bankruptcies. Accountants have also faced a growing number of damage suits from shareholders and creditors of failed companies.

Although the institute is increasing the onus on its members, it will also clarify the limits of their role in a new standard letter to accompany corporate accounts.

Continued on Page 14

Shultz in row over Asean tariffs plan

BY LIONEL BARBER IN WASHINGTON

MR GEORGE SHULTZ, US Secretary of State, and Mr Yeo Cheow Tung, Singapore's Foreign Minister staged a brief but explosive public confrontation yesterday over the US Administration's decision to withdraw trade aid to four Asian nations including Singapore.

The face-to-face row took place at the opening in Washington of the annual conference between US State Department private, trade officials and representatives of the Association of South East Asian Nations (Asean).

Mr Yeo attacked the recent US decision to remove his country, Hong Kong, South Korea and Taiwan from a list of developing nations whose exports receive preferential tariff treatment.

The move, which is to take effect next January, would revoke the right of the four countries to export about $10bn worth of products a year duty-free.

Mr Yeo said US trade policy lacked "credibility and reliability." Mr Shultz, visibly angered by the accusation, said: "If that's what you believe, there's very little basis for a genuine dialogue."

He added: "You just try going before a Congressional committee and say we should give a special break to Singapore because that poor struggling country hasn't figured out how to export

Suez group emerges as rival to De Benedetti

BY PAUL BETTS IN PARIS AND TIM DICKSON IN BRUSSELS

COMPAGNIE FINANCIERE de Suez, the Paris-based financial group, last night emerged as the major challenger to Mr Carlo De Benedetti's bid for control of Société Générale de Belgique, Belgium's largest industrial and financial holding company.

Suez, which has a 10 per cent holding in the Belgian group, announced that it was in advanced negotiations with Mr André Leysen, the Flemish businessman and chairman of Gevaert, the Belgian group, who claims to speak for 27.5 per cent of La Générale.

Mr Leysen has also been negotiating with Mr De Benedetti on a possible compromise to resolve the complex battle over the future of the Belgian group.

Mr Ponsolle indicated that Suez had put to La Générale and to Mr Leysen a proposal that would closely link the French financial group and its friends into a new controlling shareholding structure for La Générale.

Unlike Mr De Benedetti, however, Mr Ponsolle emphasised that Suez wanted La Générale to remain under Belgian management with major new European partners. He suggested that an agreement embracing all three parties – Mr Leysen, Mr De Benedetti and Suez – seemed unlikely.

The Suez decision to speak out marks a new phase in the battle for the Belgian group and highlights differences between the French financial group and Mr De Benedetti, whose French Cerus holding company is a core shareholder in Suez, which in turn has a stake in Cerus.

Mr Leysen, leading a group of Belgian and European investors, appeared last night to be being wooed hard by all sides as a potential kingmaker.

For his part, Mr De Benedetti received a major fillip on Tuesday when the Belgian Banking Commission gave the green light to his partial offer for La Générale. He indicated in a television interview yesterday that to win effective control he needed "much less" than the 15 per cent for which he has made a public bid.

Late on Tuesday night Mr De Benedetti said that he was prepared to enter an agreement with Mr Leysen based on "equal shareholder" participation but only on condition that an "effective" management was installed at La Générale. Mr de Benedetti disclosed yesterday that he had also asked Mr Leysen to be chairman of La Générale.

Elsewhere Compagnie Générale d'Electricité, the recently privatised French telecommunications and engineering group, announced that it had entered the battle, building up a 4.5 per cent stake in La Générale.

Goria quits Italian leadership

BY OUR FOREIGN STAFF

ITALY APPEARED set last night for a renewed political crisis after Mr Giovanni Goria, Prime Minister for the last 6½ months, submitted his resignation to President Francesco Cossiga.

His decision follows a series of parliamentary defeats and widespread disaffection within the ruling coalition.

In November, Mr Goria was forced to seek a renewed vote of parliamentary confidence, which he won, following a dispute over the Italian budget.

Yesterday, in remarks to the Chamber of Deputies after an emergency cabinet meeting, Mr Goria, a Christian Democrat, cited political sabotage from inside the coalition for his decision to quit.

Earlier yesterday the Government lost a secret vote on the budget. The coalition was defeated four times in similar votes on Tuesday and on all occasions had to rely on confidence votes, which are public, to get the measures passed.

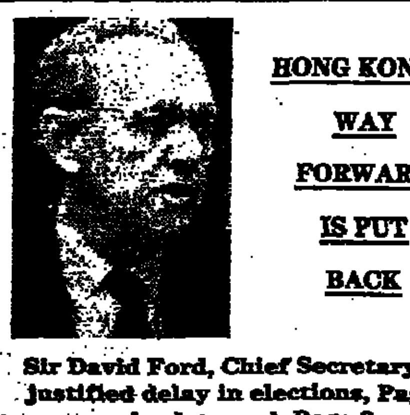
The five-party coalition comprises the Christian Democrats, Socialists, Republicans, Liberals and Social Democrats.

An important cause of the coalition's problems is the jockeying for power among factions of Mr Goria's own party, which is preparing for a key party congress in April. The Christian Democrat rebels are believed to have had help from hostile Socialists.

The situation for Mr Goria's coalition worsened substantially in recent weeks.

Mr Goria, 44, who became Prime Minister last August, was the youngest premier in Italian history.

CONTENTS



HONG KONG'S WAY FORWARD IS PUT BACK

Sir David Ford, Chief Secretary, who justified delay in elections, Page 14, background, Page 3

European Community leaders begin a third summit attempt to end the EC's financial agony in Brussels today. FT writers explain the issues

The Community tries again

BY TIM DICKSON AND DAVID BUCHAN IN BRUSSELS

THE 12 member states of the European Community sit down in Brussels today to try, once again, to thrash out a deal for reforming spending policies and revenue raising mechanisms in order to provide enough money for at least the next five years.

The financial crisis which has precipitated their meeting has been building for a long time. The main and well publicised ingredients creating the mess are:

- Soaring agricultural spending due to open ended commitments to European farmers
- Growing pressure from Europe's poorer, mostly Mediterranean states for a bigger slice of the budgetary cake
- Falling Community receipts from customs duties and agricultural import levies
- The difficulty of raising new revenues from Community countries without simply replacing old inequities with new ones.

It is almost a year since Mr Jacques Delors, the Commission President, first put forward his grand plan to tackle these problems. The "Delors package" as it has become known aims

- To put a ceiling on farm spending by means of automatic price cuts and other penalties once specific output targets have been reached (the so-called "stabilisers")
- To double the Community's social and regional spending (the so-called structural spending) by 1992
- To introduce a new system of budget contributions from member states which would better reflect their relative wealth and at the same time lay to rest the explosive issue of Britain's budget rebate.

In retrospect, it is hardly surprising that EC leaders failed, first at Brussels last June, then at Copenhagen in December to reach agreement on these proposals, or indeed any version of it. Not only do all items in the package require the unanimous approval of national Governments but the fundamental divisions between member states vary significantly according to the issue.

Thus the debate on farm reform – now concentrated largely on cereals and oilseeds – pits Britain and the Netherlands as the most enthusiastic adherents of price cuts against West Germany, which has been keen to dilute the proposed changes in the interests of its many small and inefficient farmers.

On "structural spending", the battle is between North and South. Spain has emerged as the toughest proponent of Mr Delors' 100 per cent increase over five years, with Britain pulling hard on the other end of the diplomatic rope for just a 50 per cent increase.

On top of this there are individual problems to sort out, notably Italy's deep disquiet about the way in which the burden of the new EC revenue is to be shared.

Community ambassadors, EC Farm Ministers and Foreign Ministers have all burned large quantities of midnight oil over the last few weeks in an effort to narrow the differences but no one denies that even at the 11th hour major problems are unresolved. The best hope for success in the next two days is that on current projections come June or July the EC's money will finally have run out.

Yesterday the West German Presidency circulated details of its overall compromise for today's meeting. To the surprise of many observers some of the key options have been left open.

FARM BUDGET DISCIPLINE

Attempt to set ceiling on spending

The main objective in controlling the farm budget is to set a ceiling for agricultural spending in 1988 and fix clear limits to its growth in subsequent years. Yesterday's compromise proposals from Bonn call for a "guideline" of Ecu 27.5bn this year (excluding the depreciation of surplus stock which would be financed outside) and an annual rate of increase no more than 70 to 80 per cent of the EC's growth. Most member states can go along with this, the Germans strongly favour the 80 per cent "slope" while Britain wants Ecu27bn. and 60 per cent.

A key related issue is the so called "monetary reserve" which could be called on in "exceptional circumstances" (defined by most member states as currency fluctuations). The latest proposal here which carries widespread support is for an Ecu 1bn "reserve", triggered when Ecu/$ fluctuations distort EC agricultural spending by more than Ecu400m. There could still be big problems here over French insistence that "circumstances" should be widened to include potential trade conflicts.

EC REVENUES

VAT v GNP as a budget base

THERE are two revenue issues. One concerns the overall ceiling for the EC budget over the next five years. At present it is set at 1.4 per cent of a harmonised Community-wide value added tax (VAT) contribution. Mr Delors proposes making this 1.4 per cent of Community GNP, equivalent to 2.1-2.2 per cent

The Germans have proposed that the summit discusses a range of 1.25 to 1.3 per cent of GNP. Britain says even this is beyond what the Community needs.

The other issue can be labelled burden-sharing: how the burden of making up the now chronic shortfall in Community revenue should fall on individual member states.

The Commission has proposed moving to GNP as a fairer measure of relative wealth for calculating national contributions. The present system of levying contributions according to the VAT base penalises a country like Britain, with a relatively small public sector exempt from VAT, and favours a country like Italy with a large public sector and an alleged tendency not to pay VAT where it is due. The Commission's proposal was for a new fourth resource based on the difference between a country's VAT base and its GNP. Since Italy has revalued its GNP sharply upwards (taking account of its black economy), it would be paying the new levy on a disproportionately large chunk of economic activity. For Britain the additional payment would be disproportionately small.

Italy wants the new resource to be based on GNP pure and simple. Rome accepts it has to admit being richer and pay more. But it refuses to make a much larger payment based on the fact that its VAT base is so small a ration of its GNP.

For today's summit the Germans have tabled two compromises on the new resource. Neither would penalise the Italians as heavily as the original Delors proposal, but nor would they favour the UK much.

AGRICULTURAL STABILISERS

Compromise likely on toughest issue

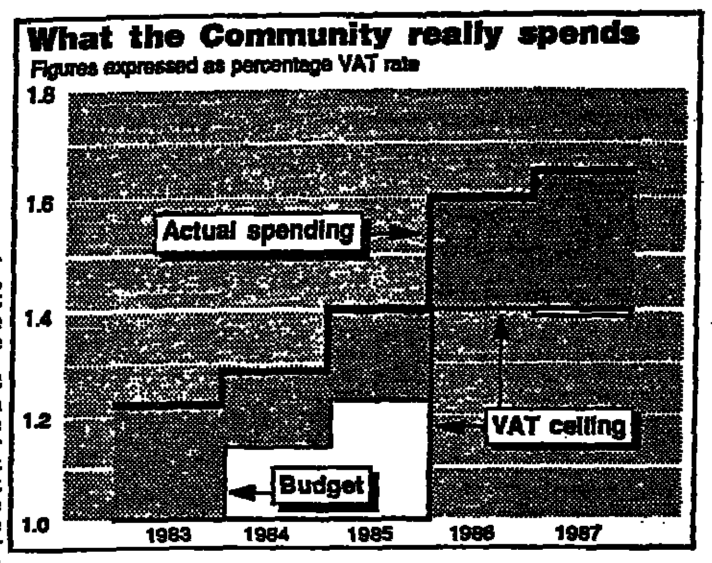
WIDELY predicted to be the toughest part of the negotiation, the major argument still centres on proposed "stabilisers" for the cereals and oilseeds sectors. Measures to control spending and production of other commodities (notably wine, tobacco, sugar, fruit and vegetables, and sheepmeat) are also included in the package but all the signs are that the Copenhagen compromises will be accepted.

On cereals, the problem is what production target, or "guarantee threshold", should be set before the price penalties take effect. The new Bonn paper merely sketches the familiar range of options – 155m tonnes from the UK at one end, 160m say the Germans and French at the other extreme. On penalties for overproduction the paper accepts that any overshoot should be met with price cuts of up to 3 per cent in the following marketing year (against 2½ per cent previously), a proposal which represents a modest move by Bonn towards the markedly tougher British position.

While the Netherlands still appears to support Britain on cereals, the UK is virtually isolated on the latest plan to curtail oilseeds production. British officials claim that the price cut favoured by Bonn would cost the Community budget Ecu 700m more than the Commission's original plan.

What the Community really spends

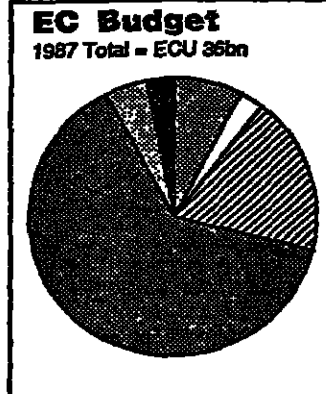
Figures expressed as percentage VAT rate



The chart shows how both the budget and actual spending have exceeded the VAT ceiling (raised from 1% to 1.4% in 1985)

EC Budget

1987 Total = ECU 36bn



STRUCTURAL FUNDS

Deep division over how much more to spend

THERE is broad agreement that Europe's economically backward areas should receive an even higher ratio of Community regional and social fund spending than previously. But there is still deep division over how much this form of community expenditure should grow overall.

The West German presidency has proposed that EC leaders discuss an increase in structural funds of Ecu 1.1bn (£770m) to Ecu 1.3bn a year in 1989-92. This translates into an increase of between 79 and 100 per cent over the five years.

The top end of this range would satisfy Spain, which has pushed hardest behind the proposed doubling of structural funds by Commission president Mr Jacques Delors. But even the bottom end of the range is far above the UK's call for only a 50 per cent increase.

The UK argues that if, as all member states now agree, two-thirds of structural funds should go to the poorest regions by 1992, Spain, Portugal, Greece and Ireland (the four poorest) would get twice what they do now. The Spanish concern is that if the richer member states cease to benefit, they will lose interest in structural funding.

A further wrinkle in the argument concerns the right of the European parliament to increase so-called non-obligatory spending such as structural funding.

Spain has offered a self-denying ordinance on behalf of the poorer member states not to exploit the parliament's free-spending tendencies to the south's advantage. But the UK has rebuffed this idea and, as with farm spending, wants all expenditure loopholes closed.

Winners and losers in the EC cash merry-go-round

Alan Marin unravels the Commission's Byzantine financing proposals

The European Commission's proposals on future financing of the Community, published last February, are obscure even by the standards of "Eurospeak".

To appreciate the issue involved, and its importance, it is necessary to understand the current system. The revenues for the EC budget are usually said to come from three sources; though the distinction between the first two is irrelevant and they can be lumped together. They are (i) tariffs paid on goods imported into the EEC; (ii) tariffs (called levies) on agricultural imports; and (iii) the amount that would be collected by up to a 1.4 per cent VAT in each country. It is important to note that the 1.4 per cent VAT is a method of assessment of members' contributions, it does not have to be collected by means of a value-added tax. Governments can raise the money however they like. It is just a part of their annual expenditure which happens to be payable to Brussels rather than locally.

The tariff revenues are different. In the jargon, they are an "own resource". They belong to the Community from the moment of payment by importers, and the national customs services collect them on behalf of the Community, not their own governments. One useful result for a Common Market is that governments have no revenue incentive to try to encourage imports from outside of the Common Market.

In recent years about one-third of the EEC budget has come from tariffs and approximately two-thirds from the VAT-linked contributions.

The main Commission proposal last year was to switch from 1.4 per cent of the VAT base as the limit of the contributions from member governments themselves, to using 1.4 per cent of total national income, as measured by Gross National Product (GNP). Because VAT does not apply to investment, government expenditure or even to all services, the VAT-base is only about half of GNP. There would therefore be a large increase in the maximum revenues available. Because the precise ratio of the VAT-base to GNP varies between countries, there would also be a reallocation of the relative burden on different countries – Italy, followed by Germany, being a major loser and the UK gaining, followed by France and Ireland.

However, to complicate matters, the Commission also proposed that there should be a 1 per cent VAT levy throughout the Community. Unlike the present 1.4 per cent VAT-linked contributions, the new 1 per cent VAT would be raised as a value-added tax in all member states, and would be a new "own-resource" of the Community. Nevertheless, despite some ambiguities in the document, the new 1 per cent VAT is not in addition to the 1.4 per cent of GNP. Instead, governments will be asked to pay an extra amount of up to 1.4 per cent of GNP minus 1 per cent VAT. Thus the total paid will only be 1.4 per cent of GNP.

The obvious question, to which no satisfactory answer has been given, is why the Commission is bothering with a new 1 per cent VAT proposal if it makes no difference to how much revenue Brussels receives? There are two possible answers. One is ideological. Among some advocates of European political union there is a considerable mystique attached to "own resources". They are seen as an embryonic form of the Community-wide unified tax system that will support a supra-national fiscal policy. Any increase in "own resources" reassures the faithful that the EC is advancing towards union. The other possible answer is political. Because the 1 per cent VAT will accrue automatically, the amount the Commission will have to ask for explicitly each year will seem less.

Perhaps there is a hope that busy ministers, and commentators, will be mystified and governments will more willingly pay up the "small" extra sums than the total. In 1986, 1.4 per cent of EC GNP was £33.18bn. A 1 per cent VAT would have raised £10.78bn, reducing the amount explicitly asked for by one-third.

Alan Marin is a lecturer in economics at the London School of Economics

Gorbachev and Kohl prepare for summit

By Charles Hodgson in Moscow

THE Soviet Union and West Germany have agreed to start preparing the ground for a summit between Mr Mikhail Gorbachev, the Soviet leader and Chancellor Helmut Kohl.

The decision, which could mark the end of a long period of frosty relations between Moscow and Bonn, emerged during talks between Mr Gorbachev and Mr Lothar Spaeth, deputy leader of Mr Kohl's Christian Democratic Union party in Moscow yesterday.

Mr Gorbachev told Mr Spaeth that relations with West Germany, the Soviet Union's biggest trading partner, had entered a new phase and that the Soviet leader had agreed that the time was ready to start preparing for a summit.

Relations between the two countries have been troubled since West Germany's decision to allow the deployment of a new generation of Pershing 2 missiles on its soil. This class of missile will now be eliminated under the December US-Soviet agreement. Bonn-Moscow ties worsened again in 1986 after Mr Kohl compared Mr Gorbachev's public relations skills with those of Joseph Goebbels, Hitler's propaganda chief.

Mr Spaeth, prime minister of Baden-Wuerttemberg state, who headed a 30-man delegation of businessmen to Moscow, told a news conference that Mr Gorbachev also wanted to boost economic links between the two countries.

The Soviet Union has been keen to encourage joint ventures with western companies to help modernise Soviet industry and raise management standards. Mr Spaeth said the two sides had agreed to set up a working group to promote joint ventures and consider training Soviet managers in western business techniques.

The official Tass news agency reported that of the seven joint ventures with western companies now in operation in the Soviet Union, five were with West Germany, all from Baden-Wuerttemberg, the country's richest state.

Mr Spaeth pointed out a number of concerns held by western businessmen about joint ventures in the Soviet Union, particularly the terms governing profit repatriation and the small proportion of finished products in Soviet exports.

Honecker letter puts Kohl on spot

BY DAVID MARSH IN BONN

DISCORD between Bonn and Washington over the question of modernising short-range US nuclear missiles stationed in the Federal Republic has heightened pressure on the West German Government to come up with a firm reply to a controversial pre-Christmas letter from the East German leadership.

The letter from Mr Erich Honecker, the East German leader, to Mr Helmut Kohl, the West German Chancellor, suggested that Nato give up its weapons modernisation plans in exchange for a similar commitment by the Warsaw Pact.

Mr Honecker's letter attempted to drive a wedge between Bonn and its Nato allies. It proposed that if both East and West gave up arms upgrading plans, Europe might eventually be freed totally from nuclear weapons – an objective which runs directly counter to Nato strategy.

West German officials said yesterday that Mr Kohl had not yet replied to Mr Honecker and that a return letter was not thought "suitable" at present. Bonn was annoyed at East Berlin's publication of the Honecker letter in January, basically for propaganda, and officials said West Germany will not take the initiative in publishing the eventual reply.

The sensitivity of the modernisation issue has been increased by a blunt call at the weekend by Mr Frank Carlucci, the US Defence Secretary, for Nato to stick to plans to upgrade nuclear weapons. West Germany in particular has to decide whether to replace the present US Lance missiles stationed on its soil by an improved version during the 1990s.

Mr Carlucci said that any eventual move to remove all nuclear arms from Europe would cause the US to consider withdrawing its troops stationed here. This is on the grounds that the soldiers' vulnerability would increase significantly if they were unprotected by tactical nuclear weapons.

Mr Kohl reaffirmed last weekend that he opposes denuclearisation of Europe, but has left vague his stance on modernisation, which is hotly opposed on both Right and Left in the Federal Republic.

Nato chief backs Paris-Bonn accord

GENERAL John Galvin, the Nato Supreme Allied Commander in Europe, yesterday came out firmly in favour of recent Franco-German moves towards closer military co-operation and rejected suggestions that they would undermine Nato, writes Robert Mauthner, Diplomatic Correspondent.

"I think it is a good development," General Galvin told the Royal United Services Institute in London. He also stressed that he considered French military thinking to be very close to that of Nato and that he felt "quite secure" about France's defence posture.

The Supreme Commander's remarks echoed those of a group of influential US Senators, including Mr Sam Nunn, chairman of the Senate's armed services committee, who said during a tour of Europe in the last few days that the joint Franco-German brigade and Defence Council would strengthen the European pillar of the alliance. However, Mrs Margaret Thatcher, the British Prime Minister, has doubts about the compatibility of the Franco-German moves with multilateral co-operation within Nato.

General Galvin was also adamant that Nato's strategy of flexible response and forward defence, based on a "triad" of strategic nuclear weapons, theatre nuclear arms and conventional forces, remained the best strategy for the Western alliance. It was wrong to believe that it had been invalidated by the INF treaty between the US and the Soviet Union abolishing ground-launched medium range nuclear weapons. Instead of just concentrating on the arms which had been eliminated, people should also focus on the arms which the treaty had left in place, such as short-range nuclear weapons. The continued presence of nuclear weapons in Europe created a much more credible deterrent than if they were all abolished.

General Galvin speaking in London yesterday

Bangemann rejects talking down of $

FORCING DOWN the value of the US dollar is a form of protectionism and does not help the German economy, Mr Martin Bangemann, West Germany's Economics Minister, told a conference in Indonesia yesterday, Reuter reports from Jakarta.

"Global economic imbalances cannot be reduced ... by talking down the dollar, which is a monetary variation of protectionism," he told an Asia-Pacific trade conference in Jakarta at the start of a week-long visit to Indonesia.

Other responses to tensions in the world economy, like restricting international capital movements, adopting a gold standard, or imposing controls on exchange rate fluctuations also would impede global growth, he said.

Mr Bangemann said the big US trade and budget deficits contrasted with large surpluses in Japan, West Germany and the newly industrialised countries (NICs) of Asia, leading to "extreme and sudden movements in interest and exchange rates."

He added that Europe needed to catch up with a shift in world trade from the Atlantic to the Pacific.

"We may see the emergence of a new international division of labour based on a triangular relationship in which the Asian NICs use their earnings from their trade with Japan to buy goods from the US, thereby providing the US with the means to pay for imports from Japan."

Greek premier suggests Cyprus peace move

BY CAROL REED IN ATHENS

MR ANDREAS Papandreou, the Greek Prime Minister, has proposed to Turkey the demilitarisation of Cyprus and the formation of a single police force made up of both Greek- and Turkish-Cypriots. The suggestion was rejected yesterday by Mr Dervis Eroglu, Prime Minister of the Turkish-Cypriot administration in the island's north.

Mr Papandreou said that at his talks in Switzerland last month with Mr Turgut Ozal, his Turkish opposite number, he had proposed a complete withdrawal of Turkish troops from northern Cyprus and the dissolution of the Greek-officered National Guard in the south. The joint police force would be drawn from the two Cypriot communities in proportion to their population.

Portugal's winter of discontent

By Diana Smith in Lisbon

PORTUGUESE unions are planning strikes in key services in the next fortnight in a campaign for higher wages.

Staff of the Lisbon Underground, Post Office clerks and telephone engineers, ground staff of TAP/Air Portugal, and railway workers have all announced one-day strikes.

The wave of industrial action follows a three-week strike by Lisbon bus and tram workers, who staged off the road four hours a day each weekday in pursuit of wage rises of 12 to 16 per cent.

The government ended the strike this week, putting a civil requisition order on the transport company, so that workers had to work a full day or face dismissal.

Behind industrial action is not just a disputed 1988 inflation target which many observers believe may not drop below 7-7.5 per cent, but a drive against proposed labour reforms easing strictures on individual and collective dismissal.

Ethnic Hungarians win asylum

BY LESLIE COLITT IN BERLIN

AN UNPRECEDENTED number of ethnic Hungarians from Romania have been granted asylum in Hungary, the only Warsaw Pact country to give refuge to the citizens of an allied nation.

Mr Rezsoe Banyasz, the Hungarian government spokesman, said 6,499 ethnic Hungarians had been given residence permits last year. This was double the 1986 figure. Mr Banyasz said yesterday the influx of ethnic Hungarians applying to remain in Hungary had probably increased in recent weeks. Most of the ethnic Hungarians, who were visiting relatives in Hungary, were given asylum for "humanitarian reasons" he said. These included family reunification, economic hardships in Romania and the worsening nationality conflict between the two countries.

Relations between Hungary and Romania have deteriorated steadily over the alleged discrimination by Romania against the Hungarian minority of nearly 1.7m in Romania. Most of the Hungarians live in Transylvania which belonged to Hungary until 1919 and was partly occupied by it during the Second World War.

Mr Banyasz declined to comment on critical remarks by the Romanian leader, Mr Nicolae Ceausescu. Noting that relations with Hungary were "unfortunately" not good, President Ceausescu advised the Hungarian Communist Party to fight against "chauvinism and nationalism" within its ranks.

The Hungarian spokesman noted there had been no contact between Hungarian and Romanian officials since an unsuccessful meeting last spring of central committee secretaries.

Hungary meanwhile has become more outspoken about Romania's treatment of ethnic Hungarians, raising the issue last year at a meeting of the Conference on Security and Co-operation in Europe in Vienna. On Hungarian radio recently, Mr Matyas Szueros, a central committee secretary, answered a flood of listeners' questions about tense relations with Romania. Mr Szueros called the minority in Romania "ethnically" part of the Hungarian nation and said the growing numbers applying for refuge in Hungary had been "wounded in their Hungarian identity."

Austrian coalition stays mute

BY JUDY DEMPSEY IN VIENNA

AUSTRIA'S coalition Government will not call on President Kurt Waldheim to resign in spite of the international commission of historians' report that he lied about his wartime activities.

An official demand by the Socialist Party for his resignation could have spelled the end of the coalition of which it is the dominant partner and the possible emergence of a new one between the Conservative People's Party (OEVP) and the small right-wing Freedom Party, led by the populist Mr Joerg Haider.

The Socialist Party's general secretary, Mr Heinrich Keller, said yesterday that Mr Waldheim's wartime record was not the real problem. Rather, it was the fact he had had been silent about his past and had given false information during the campaign for President in 1986.

Mr Keller repeated remarks made earlier in the week by Chancellor Franz Vranitzky, who said it was up to the President himself to decide whether to remain in office. Many in the party remain critical of this decision but dissent has been quashed.

The OEVP continues to argue that since the commission of historians did not find Mr Waldheim guilty of war crimes, the question of resignation does not arise.

Both the Socialist Party and the Kronen Zeitung, a conservative popular daily newspaper which sells 3m copies in a country of 7m people, are continuing to brush aside the fact that Mr Waldheim knew about atrocities committed during the war.

This official silence on the question of resignation has disappointed many of the President's critics. An editorial yesterday in the Salzburger Nachrichten, a liberal daily, wrote in a tone of deep pessimism that "the situation is appalling. There is no word which can describe adequately the situation in our country within the international realm of nations."

FINANCIAL TIMES

Published by the Financial Times (Europe) Ltd., Frankfurt Branch, represented by E.Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter Societäts-Druckerei-GmbH, Frankfurt/Main. Responsible editor: G.D. Owen, Financial Times, Bracken House, Cannon Street, London EC4P 4BY. © The Financial Times Ltd, 1988.

FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. US subscription rates $365.00 per annum. Second-class postage paid at New York NY and at additional mailing offices. POSTMASTER, send address change to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

هكذا من الاصل

Malay leaders seek to heal party split

BY ROGER MATTHEWS AND WONG SULONG IN KUALA LUMPUR

SENIOR Malay leaders were yesterday engaged in a series of urgent consultations aimed at preventing what they fear could become an irrevocable split in Malaysia's ruling United Malay National Organisation.

The party was thrown into disarray by a court decision last week, ruling that it was an illegal body, and the subsequent bid by two former prime ministers to seize control of the party from Dr Mahathir Mohamad, the Prime Minister.

The central figure in the conciliation efforts appears to be Datuk Abdullah Badawi, senior vice-president of Umno, who was sacked as minister of defence for opposing Dr Mahathir's re-election as party president in last April's bitterly fought contest.

Commenting on the move by Tunku Abdul Rahman, Malaysia's first prime minister, to register a new party, called Umno (Malaysia), Datuk Abdullah said: "I don't believe he could solve the problem. There can only be one Umno. We cannot permit there to be two parties.

"The Registrar of Societies will have to bear in mind the interests of the nation when considering the Tunku's application."

Datuk Abdullah said that following the court's ruling, the party leadership had got to work immediately to resolve the situation. However, he said there were complexities involved, and "we want to make sure that any solution would not be challenged in court once again".

Since the crisis flared again, Datuk Abdullah has been inconstant touch with Dr Mahathir and Datuk Musa Hitam (Mahathir's former deputy) who also opposed Dr Mahathir's re-election as party leader. Datuk Abdullah said he would go upto Penang to see the Tunku to appeal to him to drop the venture.

"I am very surprised that the Tunku had taken this move. He had an illustrious career as the Father of the Nation." Datuk Abdullah believed a major realignmente within the party could be underway, with Datuk Musa and his supporters moving closer to Dr Mahathir, although observers express doubt that the reconciliation could be anything more than a temporary expedient unless the Prime Minister is willing to share power with them.

Senior party leaders, however, see little possibility of a reconciliation between Dr Mahathir and his arch rival, Tengku Razaleigh, who led the bid to unseat him as party leader last year.

Japanese groups to back UK bridge bid

BY ANDREW TAYLOR

JAPANESE companies, C.Itoh and Ishikawajima-Harima Heavy Industries (IHI) have agreed to support a $248m bid by Trafalgar House, the British construction, property, shipping and hotels group, which is battling to win the contract to build a third bridge across the Bosporus in Istanbul.

The bid by Trafalgar House which is in partnership with Enka, a Turkish company, was almost $78m higher than the lowest bid which was submitted by Sezai Turkes-Feyzi Akkaya (ST-FA), another Turkish group. Trafalgar's was the next lowest of the four bids which were opened on Tuesday.

At one stage it had been considered that the Japanese companies might have been considering bidding themselves for the contract or forming a joint venture with another Turkish company, such as ST-FA, which does not have sufficient size and experience to mount such a venture on its own.

The role of the Japanese companies therefore could be crucial in deciding where the build-own-operate-transfer contract for the bridge is placed.

The winning contractor will be expected to arrange the loan finance for the bridge. The loans will be repaid out of tolls charged by the contractor which will be allowed to operate the bridge under a concession, which under the terms of Trafalgar's bid would run for 12 years.

Trafalgar confirmed last night that it had signed an exclusive agreement with C. Itoh and IHI that they would work together on the contract if the British bid was successful.

UN chief acts over Thai-Laos fighting

MR JAVIER PEREZ de Cuellar, United Nations Secretary General, has made a new offer to Thailand and Laos to help resolve a border dispute that has led to an upsurge in fighting, the UN said yesterday, Reuter reports from United Nations.

Mr Perez de Cuellar, now on a trip to Africa, had received a reply from Laos, but it was not being made public, said the UN.

No concrete response had yet been received from Thailand, but Mr Perez de Cuellar had been given a copy of a letter that Thailand recently sent to the president of the Security Council on the issue.

"The Secretary General offered his good offices to both governments. And as you know, good offices cannot be exercised unless all parties agree on that offer," said the UN.

The two countries have clashed sporadically since last August over a remote 65 sq km area that both claim under an 80-year-old treaty.

Zimbabwe imports grow 16%

BY TONY HAWKINS IN HARARE

ZIMBABWE'S balance of payments deteriorated in 1987 on both current and capital account, according to provisional figures published today.

The Reserve (Central) Bank of Zimbabwe (RBZ) said the current account had moved from a small surplus of Z$13m (US$7.5m) in 1986 to a deficit of some Z$80m. This was the result of a further increase in the deficit on invisibles which rose 13 per cent to Z$570m and a small reduction in the trade surplus to Z$490m from Z$520m in 1986.

Exports rose 11 per cent in Zimbabwe dollar terms but imports were up more than 16 per cent. The Zimbabwe dollar depreciated some 13 per cent last year so that the real volume of exports was slightly lower.

Election clash near Dhaka kills 39

RIVAL GROUPS contesting rural village elections in Bangladesh battled with guns, bombs and knives yesterday killing at least 39 people and injuring more than 1,000, police said, Reuter reports from Dhaka.

They said at least 300 people were arrested and voting was suspended in more than 500 centres due to "unprecedented" violence. Opposition leaders said, however, that at least 100 were killed and more than 2,000 injured.

The skirmishes triggered fears of more violence during parliamentary elections next month which the major opposition parties have vowed to boycott.

Eleven people were shot dead in southern Chittagong district. Five others died in western Jessore area and three in Pabna in the north.

Four people were killed in Jamalpur, two in Keranigani, three in Noakhali and one each in Narayanganj and Chandpur. Nine people died elsewhere in the country.

Police said more than 1,000 people were injured in the violence across the country.

Election officials said they had to suspend votings in at least 350 centres in Chittagong, Jamalpur, Dhaka, Narayanganj, Cox's Bazar, Rajshahi and Khulna districts after rival groups kidnapped some polling officials and snatched away ballot boxes.

Witnesses said the turnout was low in the elections for union councils, the lowest tier of government, which traditionally have involved bitter local rivalries. They said the riot police guarding polling stations took cameras and film away from some photographers.

He said most candidates in the rural elections were linked to major parties although they are not officially allowed to represent political groups.

"But today's incidents were a prelude to what we are going to see next month," he said, referring to the parliamentary elections set for March 3.

A total of 21 political parties have said they will not participate unless President Hossain Mohammad Ershad steps down and transfers power to a caretaker government.

Mr Ershad, a 57-year-old army general who seized power in a 1982 coup, has rejected the demands.

Journalists go on strike at Sydney paper

By Chris Sherwell in Sydney

JOHN FAIRFAX, the debt-stricken Australian media company, was in trouble last night after senior editors of its flagship Sydney Morning Herald resigned and the newspaper's journalists walked out until Saturday.

The crisis at Australia's leading newspaper came as two British groups – Pearson, owners of the Financial Times, and Mr Robert Maxwell's Maxwell Communications – emerged as main rivals for newspaper and magazine assets Fairfax is keen to sell.

The Fairfax group was recently moved into private ownership under an ambitous A$2.55bn (£1.03bn) takeover by Mr Warwick Fairfax, 26-year-old member of the group's founding family. But a series of asset disposals to help pay for the deal has since run into trouble.

Yesterday's action on the Herald was precipitated by the resignation of Mr Chris Anderson, editor-in-chief. The new management's appointment of Mr Andrew Clark as his replacement provoked the resignations of the editor, the finance editor, the investment editor and other senior personnel.

Journalists promptly stopped work for a union meeting at which they decided to strike for 48 hours and expressed a "profound lack of confidence in the current senior management".

It is the second strike in less than a week: Fairfax journalists walked out for 48 hours last Friday over a redundancy pay dispute.

Pearson's interest is confined to Fairfax's business publications. The group is currently awaiting detailed figures on printing, distribution and other costs from Fairfax before proceeding further.

Many see Peking's hand in delaying reform, reports David Dodwell

Early Hong Kong poll scuppered

MR MARTIN LEE, the charismatic barrister who has championed the campaign in Hong Kong for a greater measure of democracy in the territory, must wait another three years to achieve his goal of direct elections to the territory's supreme law making body, the Legislative Council.

In the long-awaited White Paper, published in Hong Kong yesterday, the colonial administration acknowledged overwhelming support in principle for direct elections, but insisted that "a very real division of views" on the timing of their introduction made it inadvisable to introduce them this year.

The refusal to initiate direct elections in 1988 will have come as no surprise to Mr Lee and other advocates of rapid political reform. The Hong Kong government has, over recent months, carefully prepared the public to expect no immediate change.

In an unprecented three- hour debate on Hong Kong in the House of Commons last month, Sir Geoffrey Howe, Foreign Secretary, gave a strong signal that major reforms this year were not on the cards.

The White Paper, which has taken almost four months to draft and is titled: "The Development of Representative Goverment: The Way Forward", will nevertheless do little to deflect critics who claim that the Hong Kong Government has ducked the issue of direct elections for fear of antagonising Peking.

While Hong Kong argued that political change should be "evolutionary rather than revolutionary", with each reform "prudent and gradual", many in Hong Kong remain convinced that the main pressure for delay came from Peking. Chinese officials are currently drafting the Basic Law, China's blueprint for Hong Kong's political development after 1997 when Britain hands sovereignty over to the mainland. The Basic Law is intended to be ready by 1990, and mainland officials have made it clear that they would object strongly to radical political initiatives coming from the outgoing colonial administration.

Peking has talked often and in uncompromising terms of the need for "convergence" and has warned that, if political reform ahead of 1997 did not dovetail to meet the structure to be prescribed by the Basic Law, then the existing structure would simply be jettisoned.

Statements by Hong Kong government officials were yesterday littered with references to the need for a smooth transition to and through 1997. The White Paper itself noted that the political system in place before 1997 "should permit a smooth transition in 1997 and a high degree of continuity thereafter". It added that account had to be taken of "the deliberations of the Basic Law Drafting Committee".

Presenting the document to the Legislative Council, Sir David Ford, Hong Kong's Chief Secretary, justified the three year delay by saying the introduction of direct elections was "a very significant step. When we take this step, we must be quite certain that we carry with us the wholehearted support of the community . We believe that if we were to proceed with direct elections in 1988, we would have no such assurance."

He talked of the need to achieve a smooth transition "by ensuring that developments before that date are compatible with the framework to be established in the Basic Law."

The White Paper had noted in its introduction that Hong Kong's political system "reflected the special circumstances of Hong Kong, including its status as a non-sovereign territory."

It said the need to preserve stability and prosperity "points to the need to evolve gradually...and not to force the pace of reform to an extent that might introduce instability and uncertainty into the administration of the territory".

At present, Hong Kong's 56-strong Legislative Council is made up of 10 government officials, 20 appointed members, and then 26 indirectly elected members - 14 from functional (specific occupational) constituencies, and 12 from an electoral college that encompasses district boards, the Urban Council and the Regional Council.

Under the reform proposed for 1991, 10 legislative councillors will be elected directly from geographical constituencies of about half a million people apiece. The council will not be expanded, since these new members will replace 10 of those members currently elected indirectly from the electoral college.

The Hong Kong government acknowledged that, by 1997, the Sino-British joint declaration had stipulated that officials would no longer sit on the Legislative Council, but offered no framework yesterday whereby officials would step down, or their roles as quasi-ministers would be replaced.

The White Paper recognised mixed views on the practice of appointing local figureheads onto the Legislative Council, but chose not to change the existing practice of appointing 20 members.

It noted support for the idea of functional constituencies, whereby special interest groups like lawyers or teachers elected a representative to the Legislative Council.

The White Paper revealed plans to increase this number by two - adding representatives of the accountancy profession, and one representing nurses, midwives, pharmacists and five paramedical professions.

Indonesian forces chief quits

By John Murray Brown in Jakarta

GEN BENNY MURDANI, head of the Indonesian armed forces, is to step down as part of top level military changes announced yesterday, before presidential elections in March.

The 55-year-old Javanese Catholic has been a key figure in Indonesian politics for two decades and was largely instrumental in pushing through a recent reorganisation of the 280,000-strong armed forces. He now hands over to Gen Try Sutrisno, a Javanese Moslem who is currently army chief of staff.

Gen Murdani is expected to retain his position as head of Kopkamtib, the all important security and intelligence operation, and is now tipped to take the defence portfolio in a Cabinet reshuffle due in March. However, Gen Murdani declined to comment on such speculation saying only "that's up to the President".

The Indonesian parliament is currently debating a bill which seeks to clarify the relation between the armed forces and society. Since independence from the Dutch in the 1940s, the Indonesian military has played a key role in both defence and politics, the so-called dual function. The armed forces are allocated 100 of the 500 seats in the legislature.

AMERICAN NEWS

Noriega offered Contra aid

By Nancy Dunne in Washington

GENERAL Manuel Antonio Noriega, Panama's military strong man, met at least twice in 1985 with Lt Col Oliver North, the former White House aide, and agreed to provide military training for the Nicaraguan rebels at a Panamanian jungle base, according to testimony yesterday by his former political aide.

Mr Jose Blandon, in his second day of testimony before a Senate Foreign Relations subcommittee, said Gen Noriega had offered to send Panamanian saboteurs to Nicaragua, but that Col North had said he had no authority to accept the proposition. Col North also promised he would do what he could about Panama's economic difficulties.

At a meeting two months later with Admiral John Poindexter, the former National Security adviser, Gen Noriega pressed for US economic assistance. Admiral Poindexter urged the general to restore former president Nicolas Arditto Barletta to power and to send abroad a group of officers involved in the assassination of Hugo Spadafora, a Panamanian revolutionary.

GAO advises caution in banks' securities trading

BY JANET BUSH IN NEW YORK

THE General Accounting Office, a US government watchdog, yesterday recommended that any change in the law extending the power of banks to trade in securities should only be passed if banks were obliged to maintain adequate capital to cover any new business.

In a report commissioned by, and presented to, the House of Representatives Finance subcommittee yesterday, the GAO said that any repeal or relaxation of the Glass-Steagall Act, which separates the activity of banks and securities houses, should be gradual.

This recommendation accords with the approach of the Securities Industry Association, which has led a fierce rearguard action on behalf of securities houses against repeal of the act. At its annual meeting in Florida last December, the SIA seemed to acknowledge the extent to which the separation between banks and brokerage houses had been eroded and urged a step-by-step approach to repeal.

The GAO's report is published two days after a federal appeals court upheld a lower court decision allowing seven large banks to underwrite a variety of debt securities.

The ruling related to powers granted to the banks early last year by the US Federal Reserve Board, but which were effectively suspended when Congress imposed a one-year moratorium on extended bank powers to allow time to consider repeal of Glass-Steagall. That moratorium is due to expire on March 1.

Earlier this week, the SIA said it was considering taking the case to the Supreme Court. It is possible that it will ask for the moratorium to be extended.

The GAO acknowledges that the question of whether the moratorium should be lifted or extended is a difficult one. If it were lifted, the erosion of the separation between banks and securities houses would accelerate with none of the necessary regulatory safeguards in place. On the other hand an extension would mean a continuation of current inequities where some banks have bypassed Glass-Steagall more than others.

As well as its strictures on capital adequacy, the GAO recommended that, if the Glass-Steagall Act were to be repealed, Congress should ensure that bank deposits be protected from the risk of expanded securities activities by strictly separating banks from their securities affiliates.

Chicago futures traders charged

By Deborah Hargreaves in Chicago

THE US attorney's office has brought a wide range of charges against 10 traders from Chicago's futures exchanges as part of a broad crackdown on commodities fraud launched last year.

In announcing the charges – the first federal commodities trading indictments since the late 1970s – Mr Anton Valukas, US attorney in Chicago, said his office would be stepping up its investigation of white collar, business crime.

"The priority will be to maintain the integrity of the marketplace," he said.

The charges brought against traders and former employees of the Chicago Board of Trade and Mercantile Exchange include four separate cases of arranging trades outside the exchange's official system, circumventing margin requirements on futures contracts and defrauding their employers of huge sums of money.

One of the most elaborate charges involves a year-long scheme by a bond trader at the Board of Trade and a former colleague.

Mr Dan Dewey, who left the Board of Trade in 1980, is alleged to have dressed up in a wig and false trading jacket to gain access to trading areas on the exchange floor and place phoney trades.

If these trades turned out to be profitable he is alleged to have handed in the record cards through another trader, thus enabling him to take a profit. But if they lost money, he would back off from them.

Although the Board of Trade was aware of the "phantom" trader, it had failed to catch up with Mr Dewey. But the incident prompted the exchange to tighten up its internal security measures.

Mr William Murschel, Chicago Board of Trade spokesman, said the exchange moved up implementation of its security measures, including photo identification badges, when officials began to suspect illegal trading and called in the US attorney's office last year.

Lionel Barber finds himself almost drafted into a Cuomo campaign

A straw in the wind of Iowa

IT WAS 2.30pm at Des Moines airport, Iowa, the day after Congressman Richard Gephardt's slender victory in the Democratic presidential caucuses. A stocky middle-aged man wearing a Senator Paul Simon sticker on his raincoat, approached: "Hey, you from Governor Cuomo's staff?"

This reporter has neither a New York accent nor Italian ancestry, but he was wearing one of the rarest – and most popular – badges of the Iowa caucus election: "Draft Mario Cuomo for President."

Introducing himself as a member of Mr Simon's staff in Iowa, the stranger said: "Is the Governor going to run? Because if he is, I'd like to come aboard. This (Simon's) campaign could be over by next week."

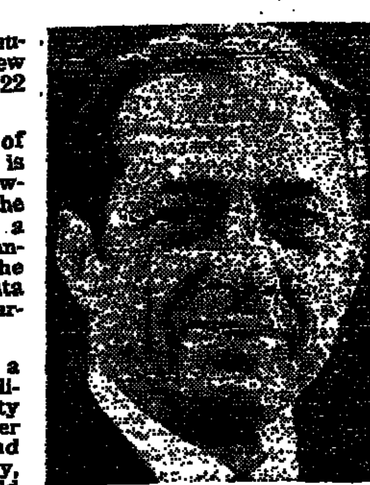
One personal anecdote does not make or break a candidacy, but the post-caucus verdict among experts is that Mr Simon, the bow-tied, Main Street Democrat Senator from Illinois, is in trouble. He is half a million dollars in debt, and he needed an Iowa win to sustain him until his next best hope for a victory in the Illinois primary on March 15.

Mr David Broder, the veteran Washington Post commentator, in a despatch from New Hampshire, where next Tuesday's primary takes place, said: "Simon, cannot survive another beating by Gephardt and he is in danger of getting one."

Mr Gephardt beat Mr Simon into second place, claiming 31 per cent of precinct delegates to the Senator's 27. Governor Michael Dukakis of Massachusetts, the favourite to win New Hampshire, came third with 22 per cent.

As for Governor Cuomo of New York, his latest word is that he is not running. However, he has not ruled out the possibility, in the event of a stalemate among Democrat candidates, of a draft at the national convention in Atlanta in July which will pick the party's presidential nominee.

Which may explain why a Japanese woman writing a politics PhD at Harvard University approached the same reporter at Des Moines airport and offered her name-card, money, and many pleas just to get hold of that little blue and red Cuomo badge.



Governor Mario Cuomo: Not running, but...

Meese moves to close PLO mission

MR EDWIN MEESE III, US Attorney General, has decided to close the Palestine Liberation Organisation's United Nations observer mission in New York despite reservations by the State Department, Congressional leaders and others, sources said yesterday, AP reports from Washington.

Mr Meese concluded legislation adopted by Congress last December should be binding even though the status of the mission under international law was ambiguous, said the sources, who did not want to be identified.

Mr Meese, who is currently in Spain, had planned to announce the decision on Friday or early next week, the sources said.

The sources said Mr Abraham D Sofaer, the legal adviser at the State Department, had raised concerns about the impact such a closure would have.

The PLO's information office in Washington was ordered to beclosed last year by the Department.

Haiti leader wins vote on key post

BY MICHAEL TARR IN PORT AU PRINCE

MR LESLIE MANIGAT, Haiti's new president, comfortably passed the first test of his ability to deal with a potentially obstructive parliament on Tuesday, when it unanimously approved his nomination of Mr Martial Celestin, a 75 year old lawyer with little political experience, to be his prime minister.

Mr Louis Dejoie, the opposition leader, whose party boycotted last month's general elections claiming they would be rigged by the military, said he was "shocked" to see the newly created two-chamber parliament act like the rubber-stamp legislature that existed under the Duvalier family dictatorship deposed two years ago.

Although the widely challenged election results gave Mr Manigat the presidency, his centre-right party won only five of the 104 seats in the new parliament, which was given unprecedented power by a constitution approved early last year before the military and the Duvalierist hardliners reasserted their control.

Most of the new parliamentarians ran unopposed as independents although some 80 number have links with the old regime.

"The new Prime Minister, white haired and frail looking, broke down and wept with joy in front of the cameras when the senate approved his nomination during an open, televised session.

Mr Celestin is a devoted follower of Mr Manigat, 57, and a member of his party. His appointment confounded forecasts that Mr Manigat might choose his prime minister from among his many former presidential rivals to broaden the Goverment's appeal.

However, the most popular candidates who boycotted the polls have rebuffed invitations to join his government

Brazilian growth misses target

BY IVO DAWNAY IN RIO DE JANEIRO

PRELIMINARY estimates for Brazilian growth last year calculate a maximum 3.5 per cent rise in gross domestic product, half the orginal target, the official government statistics office IBGE has revealed.

The economy only achieved this level of performance thanks to a remarkable 13 per cent growth in farm output. Industry in 1987 grew just 0.9 per cent.

Economists in Brazil have long said that the country needs to grow by at least 6 per cent a year to absorb some 1.5m new workers that enter the labour market. This week's figures have shown a marked increase in unemployment among registered workers in Sao Paulo state.

The growth figures follow an estimate of 4 per cent GDP growth made by President Jose Sarney last month, in a bid to deny that the country was entering a period of stagflation.

However, they are not unexpected. Mr Luiz Carlos Bresser Pereira, the former finance minister, had predicted a 3.5-5 per cent increase in GDP at the launch of his economic policy last June.

Foreign businessmen in Brazil said this week that the first half of the year promised little hope of any substantial recovery, but some industrialists are expecting a second-half improvement.

Washington reports say US government economists are predicting that even with a full agreement with the International Monetary Fund Brazil will be unable to achieve growth much above 2 per cent in the current year, while inflation is set to remain at about 400 per cent.

Mr Mailson da Nobrega, the Finance Minister, told reporters in Brasilia that he hoped a full agreement with the countries foreign creditor banks could be achieved within six weeks.

There is understood to be mounting pressure from the banks in talks now underway in New York for Brazil to begin talks with the IMF immediately, so that the two set of talks can run concurrently to speed the rescheduling process.

Mr Nobrega appears determined, however, to only open these discussions after an agreement is reached on the country's $68bn in commercial medium-term loans. Only when those terms are known, he claimed, could the country make a clear judgment of realistic domestic targets.

Canada set to unveil budget

BY DAVID OWEN IN TORONTO

CANADA'S Finance Minister Mr Michael Wilson was expected to concentrate on the recent buoyancy of the Canadian economy rather than outlining any major new policy initiatives in his fourth budget speech, due last night.

Mr Wilson has something of a reputation for playing down budget day melodrama, reserving major announcements - like the final changes to his tax reform package - for other occasions.

Furthermore, his hands are to a large degree tied, first by the size of the federal government's budget deficit (which at approximately 5 per cent of gross domestic product is considerably higher than its much-maligned US counterpart, relative to the size of the two economies), and second by the Conservative Party's election priorities.

In any case, Mr Wilson has much to boast about. In the year to December, the Canadian economy grew by 5 per cent in real terms. Unemployment – though still on the high side at about 9 per cent – is lower than in recent years, and a 3 per cent inflation gap with the US has been eliminated.

The minister is, however, expected to indicate that the Finance Department should meet its deficit target of C$29.3bn (£13.2bn) for this fiscal year. This would be down from C$30.6 bn in fiscal 1986.

Yeutter bullish on deficit

By Lionel Barber in Washington

THE US trade figures for December, which are due for release tomorrow, show the country to be on course for an improvement in its merchandise trade deficit, according to Mr Clayton Yeutter, the Trade Representative, said.

The monthly trade figures – which are calculated according to value, not volume – have taken a psychological grip on the financial markets. Mr Yeutter's comments in a US television interview yesterday appeared at aimed at assuaging market fears about a deterioration.

Mr Yeutter suggested that analysts should concentrate on examining the trade figures on a quarterly rather than a monthly basis. His chief spokesman, Mr Roger Bolton, said: "His position is that the trade figures are going to bounce around on a nominal basis but a real improvement is there (in volume terms)."

The November trade figures, reporting a deficit of $13.2bn, were considerably better than the record $17.6bn deficit in October which led to a collapse in the value of the dollar against the yen and the D-Mark. Last year, the US merchandise deficit reached a record $170bn.

Mr Yeutter said: "If one looks at the year, we're about postured for an improvement, and that's the important thing."

WORLD TRADE NEWS

ECGD to boost construction bids by UK

BY ANDREW TAYLOR

THE Export Credits Guarantee Department, the UK credit insurance agency, yesterday announced new arrangements which it said would boost the chances of British construction companies bidding for international build-operate-transfer projects.

ECGD claimed to be the first national credit agency to have developed a scheme to underwrite project finance risks for large international construction developments.

One of the first beneficiaries could be Trafalgar House, the construction group which is fighting to win a build-operate-transfer contract for a third bridge across the Bosporus in Turkey.

Build-operate-transfer developments typically involve contractors raising loans from international banks to pay for a project, such as a road or power station.

Contractors, which would operate the project under a concession, repay the banks from charges or tolls levied on users. After an agreed period the development is handed back to the national government or local public authority.

The attraction of build-operate-transfer projects to governments is that they do not involve public authorities increasing their debts. Banks are expected to bear the commercial risk of schemes going wrong and leaving the contractor with insufficient income to repay the loans.

ECGD said its new arrangements would allow banks to insure against both political and commercial risks.

Two new categories of cover were announced:

- Commercial viability cover under which the agency would meet up to 60 per cent of the credit risk, provided that UK banks carry the remaining 40 per cent of risk. At least one bank must be individually responsible for 10 per cent of the credit exposure. "We want to ensure that if we fall over the cliff someone is going to come with us," said the department.
- A new-style political risk cover which would not require state financial guarantees. This would cover the project failing to achieve financial targets as a result of wars, restrictions on foreign exchange and remittances, nationalisation of the scheme or the failure of government or public authorities to honour agreements.

Mr Don Twyford, ECGD's project group director, said the department was working on about eight schemes involving UK contractors, including the Bosporus project, which could involve the new cover.

The department would be selective about what kind of risks it was prepared to take on and the new cover would account for only a small proportion of the agency's business – no more than 5 to 10 per cent.

Premiums would vary according to the level of risk. Cover would not be available in countries such as Brazil, Yugoslavia, Poland and Sudan where ECGD medium-term cover was ruled out because of debt problems.

Ericsson wins Mexican digital exchange order

BY SARA WEBB IN STOCKHOLM

ERICSSON, the Swedish telecommunications group, has won orders totalling $171m from Telefonos de Mexico, the Mexican PTT, for digital and analogue exchanges and transmission equipment.

Mexico is modernising its public telephone network and the bulk of the order is for digital equipment.

Ericsson has agreed to supply digital exchanges, including new AXE local transit and tandem exchanges, for Mexico City and other parts of the country. It will supply AXE and transmission equipment to north-west Mexico to extend the local network.

Most of the equipment will be manufactured in Mexico at Ericsson's subsidiary, Teleindustria Ericsson, for delivery in 1989. The Swedish group received similar telecommunications equipment orders from the Mexican PTT last year.

Japan, UK may end telecoms monopoly

BY DAVID THOMAS

BRITAIN and Japan appear close to a breakthrough agreement which will remove the monopoly of the big telephone operators over the transmission of some key business telecommunications services between the two countries.

Officials from Japan's Ministry of Posts and Telecommunications and Britain's Department of Trade and Industry are discussing in Tokyo whether to open up the provision of value-added networks between the two countries to competition.

Value-added services, which are at the heart of the convergence between telecommunications and computing, involve sending information such as computer data over the telecommunications network.

Under existing international regulations, the existing telephone operators - which in most countries are publicly owned monopolies - have the exclusive right to transmit value-added services across national boundaries.

However, Britain and Japan are discussing allowing specialised communications companies to offer value-added services over lines leased from the telephone operators.

Unconfirmed reports suggest that officials from the two countries have already agreed this in principle and that they intend to reach a full agreement in the summer. The aim would be for the first services to be introduced by the end of the year.

Several companies wishing to offer value-added services to Japan have approached the British authorities. Britain is also discussing the idea with the US but not yet with any Continental countries, which are seen as less committed to competition in telecommunications than Japan or the US.

Missile conversion

A WEST German group and a Soviet company are to convert SS-20 nuclear missile launchers into mounts for cranes after the elimination of the missiles under the INF arms agreement, Reuter reports.

A joint venture contract was signed by Liebherr machine builders during a visit to Moscow by Mr Lothar Spaeth, the premier of Baden-Wuerttemberg state. The deal is with the Production Union for Heavy Crane Building of Odessa.

Michael Donne reports on the impact of Lufthansa's decision

Aero Engines fights to stay aloft

MR NICK Tomassetti, president of International Aero Engines, the five-nation, seven-company consortium building the new V-2500 turbo-fan jet engine for the Airbus A-320 airliners, faces a tough task over the next few weeks.

He must convince his remaining customers that they should stick with his engine, and not follow Lufthansa's example of changing over to the rival Franco-US CFM-56.

IAE comprises Rolls-Royce and Pratt & Whitney of the US (each with a 30 per cent stake), Japanese Aero-Engines Corporation (representing three Japanese engine companies) with 23 per cent, Motoren und Turbinen Union of West Germany with 11 per cent, and Fiat Aviazione of Italy with six per cent. IAE's only venture to date is the 25,000 lbs take-off thrust V-2500 engine for the A-320

Lufthansa is buying 15 twin-engined 150-seat Airbus A-320s, with deliveries due to start this summer, with an option on 25 more, all originally to be powered by the V-2500 engine. The airline dropped a bombshell into the world aero-engine market this week with its decision to change, on the grounds that the V-2500 was unreliable.

That decision immediately prompted Pan American, another major customer for the V-2500 for its 16 A-320s, with another 34 on option, to reveal that it is also reviewing its commitment, and may decide to change over to the CFM-56.

Should it do so – and no decision has yet been taken – other customers might feel obliged to follow suit. IAE's current billion dollar order book could evaporate.

The other V-2500 customers, in addition to Pan Am, are Cyprus Airways, Adria of Yugoslavia, Indian Airlines, Australian Airlines and Royal Jordanian, for a total of 63 aircraft and 53 on option, covering 158 engines including spares, and another 114 on option.

Mr Tomassetti must move swiftly to reassure the remaining customers that the development troubles with the V-2500 (primarily involving the high-pressure compressor) are behind it. He clearly has been stung by the unprecedentedly public and highly damaging comments by Lufthansa in announcing its change of mind.

Lufthansa said that "the risk of delayed deliveries of the A-320 with V-2500 engines, and of a technical engine reliability not matching Lufthansa's quality standards, seemed too high for the airline. Lufthansa wants to avoid repeated modifications necessary to obtain the final configuration of these engines".

The German airline added that, by contrast, "overall the CFM engine is said to have a secure growth potential, whereas there is some doubt concerning the V-2500". Moreover, the CFM-56 engines, made by General Electric of the US and Snecma of France, had "already proved their reliability on different aircraft types and meanwhile matched the V-2500 in terms of operating cost".

Mr Tomassetti, while accepting that there had been development problems with the engine, claimed that these "are behind us", and that IAE was confident "of the technical superiority of the V-2500 and its growth potential".

IAE admitted that during the V-2500's development phase, design modifications made to the engine's high-pressure compressor. These have included improvements in fan blading, fan blade tip-clearance control and improved flow paths of air through the engine, resulting in a "much better performance" from the high-pressure compressor.

They say that the V-2500 is now well over half way through its test programme to obtain its Certificate of Airworthiness from the US Federal Aviation Administration in June. Engines would be delivered immediately afterwards to Airbus Industrie, with flight testing in the A-320 starting in July. The engine is due to enter passenger service in April, 1989 – "the target date set when the programme was launched in January, 1984" said IAE, although that is over a year behind the CFM-56 in the A-320, which enters service this spring.

IAE claimed that as a result of the improvements to the high-pressure compressor, and other parts of the engine, the V-2500 is now "a more modern, efficient and quieter power-plant than its competitor." "The V-2500 also is fully capable of further development into more powerful versions suitable for future airliners", they say.

Mr Tomassetti and his team will be required by his remaining customers fully to document and support these claims. He may well also be asked why, if they are true, and if Lufthansa was aware of them, that airline still remained sufficiently sceptical to change its mind at such a late stage in the A-320's own development stage, and opt for the rival engine.

Upon satisfactory answers to that question rest not only the retention of remaining customers, but also the chances of winning new ones in what is already a fiercely competitive fight.

De Havilland Aircraft of Canada, now owned by Boeing of the US, is planning a 64-70 passengers version of its successful Dash 8 commuter airliner, writes Michael Donne.

The aircraft, the Series 400, would provide competition for the comparably-sized British Aerospace Advanced Turbo-prop (ATP) and the Franco-Italian ATR-72 regional turbo-propeller airliners. The aircraft could be launched later this year, with first deliveries at the end of 1992.

De Havilland already holds orders and options for 212 of the earlier Series 100 (37-40 passengers) and Series 300 (50-56 passengers) versions of the Dash 8. It has been encouraged to explore the possibilities of an additional larger model because of the success of the ATP and the ATR-72.

De Havilland is ending production of its four-engined Dash 7 turbo-prop airliner this year.

UK joins Pacific cable project

BY DAVID THOMAS

BRITISH TELECOM and Cable and Wireless, rival British telecommunications groups, yesterday unveiled further elements of their plans to take a stake in the fast growing telecommunications business of the Pacific region.

BT has signed an agreement with five other telecommunications companies to lay two optical fibre submarine cables each costing about $285m.

The first, connecting Australia with Guam, will be completed by 1993. The second, linking New Zealand with Hawaii, will enter service in 1996.

The two cables, to be called PacRim, will link with a trans-Pacific optical fibre cable, joining the US, Guam and Japan, due to be finished in December, in which BT is also a partner.

These cables, when joined with a similar one between Australia and New Zealand, will form an optical fibre communications ring joining the main centres around the Pacific Basin.

BT's partners in the PacRim cables include the telephone operators of Australia and New Zealand, KDD of Japan, American Telephone and Telegraph and Teleglobe of Canada. BT would not say what stake it hoped to have, partly because other partners may still join the group.

Two consortia, both involving C and W, have separately invited bids for a new $400m to $500m 8,300km fibre optic cable between the US and Japan from AT&T, NEC and Fujitsu of Japan, STC of the UK and Submarcom of France.

The cable, due to enter service in late 1990, is planned to handle 12,000 telephone calls simultaneously and is likely to play a key role in moves now underway to open up Japan's international telecommunications business to competition.

- Ericsson, the Swedish telecommunications group, has won orders totalling $171m from Telefonos de Mexico for digital and analogue exchanges and transmission equipment.

Spain wins VCR ruling

THE European Commission is to allow Spain to bar imported Japanese and South Korean video cassette recorders which are being channelled through other EC member states, agencies report.

The Commission said the indirect imports were aggravating the problems of Spain's domestic industry, which saw its market share fall to 15.7 per cent in 1987 from 26.6 per cent in 1985.

Video imports from Japan and South Korea rose from Pta15.3bn ($134m) in 1985 to Pta24.4bn in 1987, when they claimed a 64 per cent of the Spanish market share.

Algeria negotiates British gas deal

By Francis Ghiles in Algiers

SONATRACH, Algeria's oil and gas monopoly, is negotiating a three-year contract with British Gas which would allow for deliveries to the UK of up to 200m cubic metres of gas annually.

The gas, supply of which would start next September, would be delivered mainly in the winter months during periods of peak demand. Algerian gas was last delivered to the regassification plant in Canvey Island in the Thames Estuary in 1981, from the major gas base in Arzew which lies close to the country's frontier with Morocco.

Talks are also under way to provide gas to western Libya, for an aluminium plant in Zouarate, via a pipeline which would run through Tunisia, which already buys 600,000 to 700,000 cubic metres of Algerian gas every year. It also lifts further quantities as a "transit fee" for the gas which flows to Italy through the Transmediterranean gas pipeline.

About one-quarter of Algeria's exports of hydrocarbons, which were worth $8.2bn in 1987, are accounted for by natural gas.

Overall the country's production of gas rose by 17 per cent last year to 94bn cubic metres.

US subsidiary in Troll deal

By Karen Fossli in Oslo

THE UK-BASED engineering subsidiary of Ensearch of the US, Humphreys and Glasgow, yesterday made a breakthrough in the Norwegian market by winning a NKr21m (£1.9m) contract to provide engineering design work for Norske Shell's major Troll gas field.

The company beat Matthew Hall Engineering of the UK and a joint venture comprised of US-based Brown and Root and Oslo-based Kvaerner Engineering.

Norwegian engineering companies have dominated nearly all engineering contracts for Norwegian offshore field developments. The contract could clear the way for more work on the detailed design.

The Troll field is scheduled to start production in October 1996 and 21.3bn cubic metres of gas will be transported to Zeebrugge, Belgium.

هكذا من الأصل

Trading system in foreign stocks hit limitations

BY ALEXANDER NICOLL, EUROMARKETS EDITOR

THE STOCKMARKET collapse last October exposed weaknesses in the efficiency and capacity of the London Stock Exchange's market in foreign equities, according to the Quality of Markets report. Trading volumes in foreign shares were, however, well above average during the week of October 19.

Seaq International, the screen-based quotation system, showed only indicative prices for most of October 19, and there was great difficulty in contacting market-makers to trade, the report says.

Computer response times were slow. "Long delays in the updating of prices not only lead to them being unrepresentative of the true market, but could also allow market makers to avoid trading," the report warns, adding that "lack of confidence in the systems caused some market-makers to stop even trying to update their prices."

Moreover, many US securities houses were instructed by their head offices not to quote prices on Seaq International during the crash.

Despite the problems, the report says, member firms on October 19 did 40 per cent more trades in foreign equities than the September average, with a combined value 60 per cent above the September average. On October 21 and 23, with markets considerably calmer and Seaq International prices more reliable, the volume figures were substantially further above the September averages.

The spreads between bid and offered prices widened dramatically, especially outside home market opening hours. Sizes and spreads have since improved, but not to pre-crash levels.

Unlike their colleagues in the domestic market, London market-makers did not take foreign stock on to their books. The Stock Exchange said this was probably because they rapidly sold on to the home markets stock which they bought from investors.

Circumstances varied widely between different nationalities of shares. French shares saw big increases in both the number of London trades and their value – during the week of the crash, the latter was 2½ times the September average. Transaction volume in West German stocks rose 85 per cent but value fell by 20 per cent.

The value of London trading in US shares was average.

London markets put to the test

BY CLIVE WOLMAN

The London stock exchange carries out a post mortem of the October crash

THE INTERNATIONAL Stock Exchange believes that the test of a successful market should be how quickly and smoothly it could adjust to a large change in external circumstances, according to Mr Keith Goldie-Morrison, chairman of the Exchange's quality of markets committee.

The data gathered by the Stock Exchange on the volatility of the FT-SE 100 index at the time of the October crash showed an inevitable upsurge in volatility during the two days of the sharpest falls followed by a period of high volatility.

However, within six weeks of the crash, volatility had fallen back sharply and by January it was only 50 per cent higher than its pre-crash average.

During the three weeks starting on October 19 – the first day of the crash – trading concentrated on the most liquid alpha stocks, which accounted for 68 per cent of turnover instead of the usual 50 per cent.

Trading in the less active beta, gamma and delta stocks was even lower than the usual pre-crash levels in the second and third weeks of this period.

Another phenomenon of this period was the lower than usual proportion of turnover accounted for by deals between market-makers, only 40 per cent of the total.

The wider spreads between buying and selling prices since the crash have encouraged the growth of business between market-makers conducted through inter-dealer brokers acting as intermediaries.

The Stock Exchange was unable to collect any data showing which type of investors were the main sellers during the crash or from which countries they came.

The question of the extent to which the crash was precipitated by foreign selling thus remains unresolved, but an analysis of the trading in American Depositary Receipts of UK shares, which are normally held by US investors, indicates that the US was not a strong source of selling pressure.

The Stock Exchange figures contain some clues about buyers and sellers. In the 10 trading days from October 21 to November 3 the number of purchase bargains by outside investors outnumbered sale bargains by four to one (although the value of the two sides were equal).

This indicates that small investors, who transact bargains of low average value, were generally buying stocks while the institutional investors were selling.

During nearly all the first day of the crash, the liquidity of the market, in terms of its depth and the "touch" or spread between best buying and selling prices, held up well, the report concludes.

However, by the morning of the second day, the situation had deteriorated rapidly. Spreads widened by a factor of greater than two, while the total market size in which it was possible to deal had shrunk from 650,000 to 300,000 shares for alpha stocks, from 130,000 to 40,000 shares for beta stocks and from 20,000 to 5,000 shares for gamma stocks.

The spreads on most shares continued to widen until the stock market bottomed out on November 9.

Since then they have gradually narrowed again, although by the end of December they were still almost twice as wide as they were before the crash.

A similar recovery was made in the total market size although the recovery was much stronger for alpha and beta stocks than for gamma stocks.

One of the most persistent criticisms of the Stock Exchange was that market-makers were not answering their telephones to investors wishing to deal during the crash.

The report says that the reason behind these difficulties was that market-makers were working at full capacity.

At the peak on October 21, turnover reached 100,000 bargains a day compared with an average of 60,000 and market-makers were constantly having to adjust their prices.

Market-makers attempting to deal with each other tended to have much greater difficulties in making telephone contact than outside customers.

The report rejects the claim that market-makers were not answering their telephones because they did not wish to be committed to deal at the prices on their Stock Exchange Seaq screen-based quotation system.

The report shows the results of an analysis of every transaction in the stocks making up the FT-SE 100 index on October 19 and compares the average transaction prices for all 100 stocks with those quoted on Seaq.

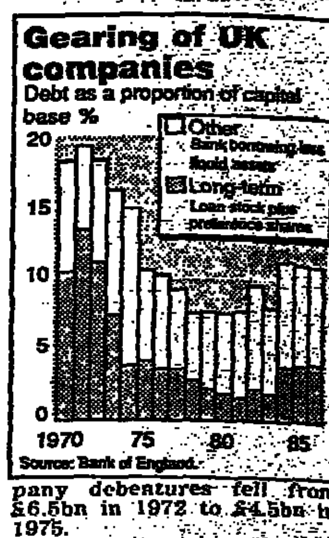
The results show that the actual prices matched the quoted prices very closely, with a few brief divergencies throughout the day.

Another allegation was that the market-makers over-reacted to the fall and marked down share prices too savagely, creating a domino effect, one on the other.

However, an analysis of customer buying and selling orders in two shares, Shell and Amstrad, on October 19 and 20, suggests that price movements reflected closely the weight of customer buying and selling orders.

Fall in share prices 'may bring switch to debt financing'

BY SIMON HOLBERTON



BRITISH companies may be set to embark on a switch from equity to long-term debt finance following the collapse in share prices last October and November, the Bank of England suggests in its Quarterly Bulletin released today.

In an article on the financial behaviour of UK companies from 1970 to 1986 the Bank highlights changes in their capital structure – in particular, the preference companies have had for raising capital through the issue of shares rather than borrowing, despite the tax incentives for companies to borrow.

It also focuses on the effect financial deregulation has had on companies' propensity to hold liquid assets. It finds that the ratio of gross liquid assets to capital has nearly doubled during the period as the returns on these assets have risen.

UK companies' gearing – the relationship of debt to capital – fell from more than 15 per cent of capital in the early 1970s to around 11 per cent in 1986. During this period the proportion of long-term debt to capital fell from about 11 per cent of capital to about 4 per cent.

In 1986 and 1987 companies raised about £18bn through the issue of shares compared with about $8.5bn of long-term debt on domestic and euromarkets, the Bank said. This disparity can be explained by the rise in equity prices over that period.

"The conditions remain favourable for the use of long-term debt, and the recent fall in equity prices makes equity finance less attractive than it was for most of 1987."

The reasons for the decline in the attractiveness of long-term debenture debt was to do with the steep rise in nominal interest rates and inflation after 1972.

This reduced the value of long-term debt to the extent where the market value of total industrial and commercial company debentures fell from £6.5bn in 1972 to £4.5bn in 1975.

The apparent tax advantages of borrowing, where interest payments are deductible from profits, were mitigated by companies which were "tax exhausted" – that is, they had no tax liability due to losses or where investment allowances reduced tax liability.

Under the new tax regime the incidence of tax exhaustion has been reduced and since 1986 the taxation incentive to borrow has risen.

Another aspect of corporate behaviour identified is the greater holdings of short-term liquid assets by 1986 compared with 1970. Companies now have 75 per cent of their short-term debt covered by short-term assets compared with 38 per cent in 1970.

The corporate sector's ability to hold a higher proportion of assets in liquid form reflects the healthier state of corporate profits and rapid innovation in the financial system.

This innovation has been associated with a narrowing of the margins between rates of return available on liquid assets and the rates paid by companies on their borrowings.

Borrowers switch to sterling Eurobonds

BY ALEXANDER NICOLL, EUROMARKETS EDITOR

BORROWERS wishing to issue sterling-denominated bonds have increasingly chosen Eurobonds and not the UK domestic market because of lower costs, greater flexibility and broader appeal to investors, according to a study to be published in the Bank's bulletin.

With economic conditions encouraging the issue of sterling bonds over the past five years, the emphasis has shiftly strongly away from that of the 1960s, when sterling issues were mainly long-dated debentures issued by British companies and sold to domestic investors.

In the early 1980s sterling Eurobonds were mainly issued by overseas issuers and sold abroad.

But in 1986 and 1987, nearly half of the £11.2bn of fixed-rate Eurobonds issued were for British companies. British investing institutions, meanwhile, overcame their resistance to buying unsecured bearer instruments, particularly as there were few issues in the domestic market: £2.6bn in the same period.

Issuers chose Eurobonds because:

- Demand from overseas investors unfamiliar with London Stock Exchange dealing practices made for lower borrowing costs in the Eurobond than in the domestic market. Commissions to the issuing houses, though nominally higher in the Eurobond market, have in practice been comparable because of the intense competition for Eurobond business.
- Issues can be made more quickly in the Eurobond market, permitting borrowers to take advantage of interest rate opportunities in more volatile markets, and particularly of opportunities to swap the proceeds of an issue into, for example, floating rate finance.

Such windows often exist in the swap market only for a matter of hours. The practice of pre-pricing issues in the Eurobond market assures an issuer of a known borrowing cost from the outset and is also a stimulus to rapid underwriting and distribution.

- Domestic bond issues are secured on issuers' assets or subject to restrictive covenants. These are not expected in the Eurobond market, where investors generally buy only the best-known names and are protected by clauses which prevent an issuer from securing future borrowing without giving existing bondholders equivalent security.

Eurobond investors also like the anonymity of bearer issues and the ability to receive interest without tax deduction.

The Bank of England also noted that issuing houses have been innovative in tailoring issues to the particular needs of issuers and investors.

In addition, liquidity in the sterling Eurobond sector has improved.

هكذا من الاصل

Appeal judges back media on Spycatcher

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE BRITISH media were yesterday freed from a ban the Government has sought to impose on publishing allegations made by former intelligence officer Mr Peter Wright in his memoirs Spycatcher.

Three court of appeal judges in London unanimously held up last December's High Court decision that a temporary injunction which has prevented the Guardian and Observer national newspapers from referring to Spycatcher's allegations should not be made permanent. The injunction had held since July 1986.

The court's decision is a further blow to the Government's bid to impose a blanket ban on publication of the allegations surrounding the intelligence agency MI5 made by Mr Wright, a former officer.

By a 2-1 majority, the court also removed a ban on serialisation of the memoirs in The Sunday Times newspaper.

Millions of copies of Spycatcher have been sold overseas since the Government failed last year in protracted court proceedings in Australia to prevent publication of the memoirs.

Sir John Donaldson, the senior judge of the civil appeal court, said that worldwide distribution of Spycatcher had "transformed" the situation and that all newspapers should be free to comment on and print limited extracts from the book, subject to an appeal to the House of Lords by Sir Patrick Mayhew, the Attorney General.

The temporary injunctions will remain in force until the House of Lords' hearing. However, the newspapers can ask the Appeal Court to remove or modify them if the appeal is delayed.

Mr Donald Trelford, editor of The Observer, said after the judgment: "It's a great day for press freedom." Mr Peter Preston, editor of The Guardian, said: "I think it is terrific because the balance that has been swinging against the Press over the last 15 months has now moved much more squarely in the public interest."

Mr Andrew Neil, editor of The Sunday Times, said he was "dismayed" that the Government felt it necessary to continue the appeal "and waste more taxpayers' money."

In his judgment, Sir John Donaldson said that the public was entitled to demand that the security service did not step outside its legitimate role: the defence of the realm. It would be "a sad day for democracy" if it were ever to be considered above or exempt from the law.

However, complaints against the service were a matter for its Director-General, the Prime Minister, the Home Secretary or Parliament – not for the media.

"The argument that the public interest is likely to be better served by a media decision to publish than by a parliamentary decision whether or not to order an inquiry I find as surprising as it is arrogant. Is it really to be said that this is a media democracy rather than a parliamentary democracy ?"

Only if newspapers seriously concluded that parliamentary control had broken down, and that there was compelling evidence of significant wrongdoing, would they have a right to make the allegation – but not detailed evidence of it – public, Sir John said.

Television vote brings call from Irish MPs

By Our London Staff

THE IRISH Republic's Labour Party yesterday sought to emulate Britain's House of Commons by launching a campaign for televised coverage of the Dublin's Parliament.

Westminster MPs on Tuesday unexpectedly voted 318 to 264 in favour of televising debates in the house as Conservative members defied a direct appeal from Mrs Margaret Thatcher, the Prime Minister, to reject the arrival of the cameras.

The decision followed 22 years of unsuccessful attempts to introduce television and brought Britain into line with all but Ireland and New Zealand among the 24 leading industrial nations which televise their parliaments.

Mr Dick Spring, Irish Labour Party leader, called for an all-party committee to consider televising parliamentary proceedings. He said: "I believe most people in this country are very much out of touch with what happens in the Dail." He said television would improve the performance of MPs.

Mrs Thatcher, by contrast, argued during the spirited Westminster debate that introducing television could damage the character and reputation of the House. She said the cameras would not show the traditional chamber but "a televised house, which will be quite different."

Mr Neil Kinnock, leader of the opposition Labour Party, said that since proceedings in parliament were already broadcast on radio there could be no case for denying the extension to television.

He described the result as "a fine night for parliament, people and democracy."

A select committee of MPs will be set up to consider implementation and a six-month experiment is likely to begin in November.

THE FORD STRIKE

Pressures for change mount in British car factories

FT staff writers look at moves for uniform working practices in world vehicle plants

WIDE VARIATIONS exist between working practices in Ford plants throughout the world.

Although the pressure on Ford of Britain to change working practices is partly the reflection of competitive pressure from Japanese producers, current differences in working practices between Ford plants include:

● **Shopfloor flexibility.** The 1985 two-year agreement in the UK reduced the number of job classifications from 550 to 52. It meant that production workers could be moved around the plant and that they took responsiblity for simple maintenance, cleaning up their work stations, and ensuring they had a regular flow of parts. The company wants to introduce team-working.

In the European assembly plants at Cologne and Saarlouis, in West Germany, which together employ 47,000 workers, Valencia in Spain, which employs about 9,000 and Genk in Belgium, which employs about 11,000, there are similar measures of shop-floor versatility. At Genk and in the West German plants production workers work in teams depending on the area of the plant.

In the US, conditions vary between the 85 plants, but in the more advanced plants there are flexible work teams. The agreement last year set up local managment-union teams to come up with a plan within six months to reduce job classifications and production costs.

● **Skilled workers.** The 1985 agreement in the UK reduced the number of skilled grades dramatically. A plethora of particular trades were condensed into two main trades – electrical and mechanical craftsmen.

The company wants skilled workers to become members of work teams, carry out some production work, in particular test and maintain high technology equipment, and accept that other hourly paid workers could be their team leaders.

In West Germany there are no longer separate skills. The most recent agreement in May last year brought in a new classification the "Industriemechaniker" – the industrial mechanic – a jack of all trades who takes on as many skills as the job requires. All skilled recruits will be trained to become industrial mechanics; existing skilled workers will be retrained.

In Spain, labour legislation forbids interchangeability between skilled and non-skilled workers. There are four grades of skilled workers, more limited multi-skilling than in the UK. Skilled workers carry out their maintenance from positions on the production line.

At Genk maintenance workers do some work on the line; there is no significant distinction between skilled and non-skilled workers, according to the company.

In the US there have been similar moves towards multi-skilling.

● **Supervision.** The UK company wants two significant changes here. First they want to introduce group leaders, recruited from the shop-floor, to lead work-teams of between eight and 12 workers. Second, they want to rationalise the supervisory structure to introduce so-called "area-foremen," with a wider span of responsibility, for production and maintenance. Current manning ratios mean each supervisor has responsiblity for about 18 workers.

The UK proposals for group leaders are modelled on Genk's "work-coaches" and West Germany's "Kolonnenfuehrer," who have responsiblity for routine supervision covering work allocation, technical problem solving and quality. At Valencia group leaders are in charge of eight strong work teams; the group leader devotes 40 per cent of his time to supervisory tasks.

Similar arrangements apply at plants in the US where there is team-working.

The UK's proposals for area foremen are modelled on practices at Valencia. At the Valencia engine plant, central maintenance shop has been virtually disbanded and area foremen have responsiblity for most maintenance. As a result they combine responsiblity for both production and maintenance.

In continental plants manning ratios in capital intensive areas are one supervisor to between 25 and 35 workers; in labour intensive areas the ratios are between 1:35 and 1:45. In the UK manning ratios are about 1:18.

● **Quality discussions.** An important part of the company's offer in the UK is a proposal that each plant should adopt a quality statement, and quality discussions should take place at all levels of the company. The unions believe this is an attempt to introduce the Employee Involvement programme developed at the company's world headquarters and much opposed by unions.

Employee involvement is well advanced in the US, and there are groups akin to quality circles in West Germany and Spain. At Valencia the management is particularly proud of the enhanced motivation produced by quality discussion groups.

● **White collar-blue collar.** Harmonisation of terms and conditions for blue and white collar workers has long been a demand of the UK unions. The company also wants harmonisation to put all workers on the same pay scale, thereby creating greater flexibility between grades.

UK manual workers work a 39 hour week, while non-production white collar workers work 37.5 hours. White collar workers have better pensions, sick pay and a day's extra holiday a year. Manual workers still clock on in the morning.

At the continental plants there are no distinctions between blue and white-collar workers. In West Germany, for instance, both groups work a 38.5 hour week, with 30 days holiday (compared to a maximum of 28 for the most senior white-collar workers in the UK). West German workers are paid their full salaries during lay-offs; manual workers are paid a monthly salary rather than according to the traditional hourly rates which apply in the UK. Full lay-off pay has been offered in the UK.

At Valencia the distinction between blue and white-collar workers does not exist for collective bargaining. All workers put in 1,785 hours and 52 minutes annually with 24 days holiday a year.

At Genk, blue collar workers do not clock on in the morning. But the management has the right to introduce temporary workers to meet peaks in demand, a proposal the UK management withdrew during negotiations.

● **Unions and agreements.** There are five main manual unions in the UK, a handful of smaller manual unions and two unions for white collar workers. Blue and white collar workers bargain separately. The last national strike in 1978 lasted eight weeks. The last agreement signed in 1985 was the first two-year agreement at the company.

It wants to set a single bargaining forum for all workers once terms and conditions are harmonised. The three-year offer is the first at the company.

The West Germans signed a three-year agreement last year, as did the Spanish unions. The United Automobile Workers union in the US also signed a three-year agreement last year.

In West Germany there is one main union IG Metall; in Spain there are three unions while in the US, the UAW is the single union.

FORD UK PLANTS: WHAT THEY MAKE AND WHERE IT GOES

BASILDON - supplies radiators, heaters for all Ford assembly plants in the UK and the Continent - Cologne, Saarlouis, (West Germany) Genk (Belgium) and Valencia (Spain) - sole source for some models such as German-produced Escorts.

BASILDON - principle European plant for tractors, 165 a day.

BELFAST - makes carbeurettors for petrol engines, sent to all Ford engine plants, Bridgend, Dagenham, and Cologne - not sole source.

BRIDGEND - CVH petrol engine - sole source for many Escorts, Orions, and Feistas - sent to Halewood, Saarlouis Valencia.

DAGENHAM - Sierras, and Fiestas as complete cars, also deisel engines, 2.5 litre direct injection for Transit vans sent to Southampton, Genk. In addition, 1.6 litre passenger car deisel engines sent to Halewood, Valencia, Cologne - sole source for Feistas, Escorts and Orions. Makes engines for Iveco-Ford truck plant at Langley and small steel pressings for European plants.

DAVENTRY - parts distribution for Ford UK.

ENFIELD - instruments, sparking plugs, windscreen wiper motors made for Iveco-Ford truck plant at Langley and Ford European manufacturing plants - sole source for some models such as German Escort.

HALEWOOD - Escorts, Orions, sole European source of Escort vans. Also makes transmissions, trans axles, engine gears, camshafts, body panels, small steel pressings for all Ford European Escort and Orion assembly plants - Halewood, Saarlouis, Valencia.

LEAMINGTON SPA FOUNDRY - makes small castings, transmission cases, brake parts, engine parts for Swansea, and some European plants.

SOUTHAMPTON - Transits.

SWANSEA - rear axles for Sierras and Transits, gears for Dagenham, Southampton, Cologne and rear axles, brake parts and gears for Iveco-Ford truck plant at Langley.

TREFOREST - spark plug ceramic insulators for Enfield.

WOOLWICH - machining centre for engine parts - to close this Summer.

Pru Bache invests £100m in Britain's cable TV industry

BY RAYMOND SNODDY

PRUDENTIAL Bache, the US securities and financial services group, has decided to commit $100m (£57m) to the British cable television industry – the largest foreign support the industry has attracted so far.

The money is being made available to City Centre Cable, a company which was last week awarded the cable television franchise for the Royal Borough of Kensington and Chelsea in London.

Prudential Bache had earlier decided to put up around $25m to help finance the building of the Kensington network.

At a board meeting earlier this week the company increased the sum to $100m to fund applications for further cable television franchises in the central London area.

The $100m commitment by Prudential Bache Inter-Funding, the group's investment banking arm, is the first major North American investment in the British cable industry although several equally large deals are believed to be in the pipeline.

Videotron of Quebec, Canada's second-largest cable television operator is negotiating a 49 per cent stake in media entrepreneur Mr Robert Maxwell's British Cable Services.

Prudential Bache said yesterday: "We have indeed made a major commitment to the UK cable industry and we are very optimistic about the future of that industry."

City Centre Cable is a joint venture between Pru Bache and BR Informational Technology, a company set up by Mr Brian Deutsch, chairman of Westminster Cable, one of the first experimental cable television franchises awarded by the Government in 1983.

Prudential Bache will hold about two-thirds of the equity in City Centre Cable, although voting control will be held by BR Information Technology.

Westminster Cable, which now has 6,500 subscribers, has been restructured so that Centre City Cable will have 45 per cent, British Telecom, the UK communications company, 45 per cent and Sanoma, a Finnish publishing and cable television company will have 10 per cent.

MANAGEMENT: Marketing and Advertising

Royal Bank of Scotland

From Top Cat to Giacometti

Philip Rawstorne reports on the campaign to underscore a move south of the border

IT WAS A marketing challenge unlike any faced before in the financial services community, says Bob Maiden, managing director of The Royal Bank of Scotland.

On Friday, September 27 1985, 350 branches of Williams & Glyn's bank in England and Wales closed. They re-opened on Monday, September 30, as branches of The Royal Bank of Scotland, a familiar institution for more than two centuries north of the border but virtually unknown in the south.

After the merger, says Maiden, "it was important that we should establish the new name quickly and without alienating any of the loyal and satisfied customers."

The plan was to do it in a number of ways. A programme of sports and arts sponsorship throughout England and Wales was designed, for instance, to bring the bank's name regularly to a wide audience. The bank's own staff had an important role to play.

But it was to a new television advertising campaign that the bank looked, in particular, both to establish its identity and to promote its services.

Royal had already shown a refreshingly innovative spirit when it came to image-making. Two or three years before, the bank had promoted itself in Scotland with advertisements using the Hanna and Barbera cartoon character, Top Cat, animated in Hollywood and using the original sound-track voices.

Many of the staff of the bank's 500 branches in Scotland deplored the campaign as undignified. But it was not long before viewers were humming the jingles, buying Top Cat T-shirts – and bringing the bank more business.

That campaign, however, was based on the Royal Bank's pre-eminence in Scotland. To establish its corporate identity south of the border, something different was needed.

What the bank wanted, says Walter Stewart, senior manager, marketing, was advertising that operated on two levels – that associated the name with an understanding and caring attitude to customers but also showed it to be a dynamic institution providing a competitive range of services.

But there was already a listening bank, an action bank, a bank that liked to say yes . . . The question was how to make the Royal Bank's appeal distinctive.

The bank turned to Boase Massimi Pollitt to devise a television campaign that would do so. One of the agency's planners, Emma Burton, recalls that it was a chance remark about the Royal's sponsorship of modern art that sparked ideas in the creative team of John Webster, (now BMP's joint chairman), Will Farquhar, and Ian Ducker, of using modern sculpture as the central theme of the advertisements.

The first commercial was planned to show the bank's commitment to servicing the needs of small businesses, an important growth area. To background music from Britten's Simple Symphony, it features Giacometti-like thin men walking on pointed legs which are eventually fitted with boots by an entrepreneurial figure.

Produced by a company headed by Gerry Anderson, creator of the Thunderbirds television puppets, the 40-second film took three weeks to make. The film was shot a frame at a time with almost imperceptible movement between frames to give the impression of the statues coming to life and moving in a realistic way.

It was followed by a film featuring Henry Moore-like figures of father, mother and child, surviving fire, flood and storm. It was intended to illustrate the bank's concern for financial protection for the family.

The third commercial in the launch campaign was targeted on customers for personal loans. A fourth has since followed, in which a metallic "business animal" of voracious appetite illustrates again the Royal's understanding of the needs of business.

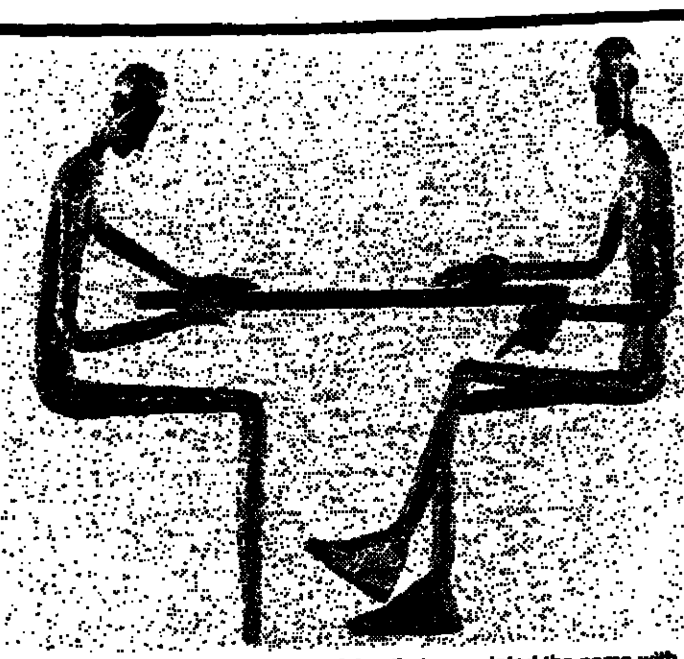
Each was set to classical music. After Britten, the film-makers found the right mood music in works by Prokofiev and Mussorgsky.

BMP carried out a lot of market research on the ideas at an early stage. Emma Burton says the studies showed that the images were memorable, were thought to portray the bank as understanding and concerned, but modern in outlook. "A bank which could do anything that any other bank could do."

The commercials were seen as striking, original and different. In the words of one customer, they were "certainly not the kind of ads which make you get up and make a cup of tea."

Even so, some changes were made. The original facial expressions of the statues were erased to heighten their suggestion of everyman, of a timeless and universal quality as well as a dependable solidity.

But it was not without some scepticism that the bank's board finally committed £3.9m to the campaign. Maiden says: "The . . . advertising . . . was certainly controversial and I would have been surprised if it was a style which received unanimous approval at the highest levels within the bank."



"What the bank wanted was advertising that associated the name with a caring attitude but also showed it to be a dynamic institution"

But, in what Burton acknowledges was "a very brave step for the bank", the campaign was launched on February 5 1986, throughout Scotland and in five television areas of England – London, TVS, Granada, Central and Yorkshire. It was supported by heavy advertising in the national press.

The advertisements have since won a number of creative awards. But, two years later, what effect have they had in establishing the Royal Bank as an identifiable force in the financial community outside Scotland?

"Nobody expected new customers to be queuing at the doors after the commercials were shown," says Stewart. "In this market, people only buy every few years." The campaign's objectives were long term, building step by step an awareness of the bank and its capabilities.

Research has shown that customers generally consider the advertisements clever, with hints of humour and a sense of prestige, and like to be associated through them with the bank. "I think we now have a strong base from which we can move forward."

Maiden adds: "We certainly are convinced that the advertising campaign has made a significant contribution to establishing our name in England and Wales. It has helped us to retain and expand business in a very competitive field."

Since the merger, the Royal Bank has opened 11 new branches in England and Wales from Canterbury and Worthing in the south, through Wrexham and Burton-upon-Trent, to Manchester and Burnley in the north. "We have been pleasantly surprised by the speed with which the considerable investment in premises and staff produces a positive contribution to profits," says Maiden.

He has no doubt that those figures would not have been possible without the appearance of that other group of animated figures on the nation's television screens.

Complementary cocktails

ONE OF THE driving forces behind the many takeovers and joint ventures that have swept the drinks industry in the last couple of years is the quest for increasingly efficient distribution – a key element of the international drinks trade. The efficiency manifests itself not only in greater commercial clout but in more cost effective marketing of a wide range of complementary brands.

Most of the shots have been fired by the major companies such as Guinness, Seagram and IDV, the Grand Metropolitan subsidiary; and their actions have major consequences upon the many smaller drinks companies which are becoming increasingly dependent on the distribution networks of the larger businesses.

Recent changes in the distribution of Glenmorangie, the premium-priced malt whisky produced by Macdonald Martin, the small Scotch distiller, illustrates the strengths and weaknesses of modest size in a rapidly changing international drinks scene.

Glenmorangie was distributed in the important US market by Schiefflin, a subsidiary of Moet-Hennessy, the French champagne and cognac house. Moet-Hennessy had no malt Scotch whisky brand and the Glenmorangie single malt complemented the brands distributed by Schiefflin.

Last year, though, Somerset, a Guinness-owned distributor in the US, set-up a joint venture with Schiefflin. Neil McKerrow, marketing director of Macdonald Martin, says the only conflict in the two parties' portfolios of brands was Scotch. Guinness, with the largest selection of Scotch brands in the world, wanted its own products, including Cardhu malt whisky, to be distributed by the new joint venture. "So we decided to part from the joint venture," says McKerrow.

IDV, meanwhile, with no substantial malt whisky brand, was looking for a quality malt whisky brand to flesh out its portfolio of brands in the US. So it took on the distribution of Glenmorangie in the States.

The oportunities afforded the smaller companies with an attractive single brand by the drive by bigger groups for a strong complementary portfolio of brands is further illustrated by Glenmorangie's UK plans. It is soon to be distributed by URM Agencies, a subsidiary of Allied Lyons, the drinks and food company. Glenmorangie's distributor had been Dent & Reuss, the wines and spirits distributor of HP Bulmer.

Macdonald Martin, whose Glenmorangie brand is the number one selling malt in Scotland, has ambitions for the brand throughout the UK. It wanted to join URM Agencies for several reasons, including the fact that URM has a strong brand portfolio with the largest national accounts negotiating team in the UK drinks industry.

Conversely URM Agencies, which distributes brands including Lambs Navy Rum, Tia Maria, Grand Marnier and Teachers Highland Cream, a blended whisky, wanted to secure the distributorship of a malt whisky brand. It was putting together a portfolio of brands to give it the bargaining stance it needed with customers, including the major retailers, says managing director, Joe Beeston.

The greater concentration in the retail trade by companies such as J. Sainsbury and Tesco is being met by a similar development among drinks distributors. A drinks distributor with only one major brand would probably find it difficult to persuade a retailer to take that brand, explains Beeston. But it becomes easier to negotiate if the distributor is armed with a wide range of brands. "It's a situation of mutual strength and need," he says.

For those smaller businesses with a strong brand, such as Macdonald Martin, the trend can be two-edged though. In the Pacific Basin, Glenmorangie is distributed by Remy Martin, the French cognac house. But there is vulnerability for Glenmorangie. The family-controlled Remy Martin, the last remaining major cognac house, is being stalked by major drinks businesses wanting a cognac of their own; they may have plans for a different malt whisky.

Lisa Wood

Dry Canada drinks

NOBODY IN his right mind would build a brewery on Prince Edward Island, the low-lying, red-earthed backwater (population 128,000) that is Canada's smallest province.

For one thing, advertising of alcoholic beverages is virtually prohibited – the only exception is promotional material in liquor stores and licenced premises.

For another, the taxation rate on beer – at about 61 per cent – is higher than in any country in the western world. It is exceeded only in neighbouring New Brunswick.

Finally, the island, like Anglesey off the coast of Wales, has traditionally boasted a powerful "dry" lobby – witness the five plebiscites on prohibition which it has staged since 1878 – and retains to this day a distinctly ambivalent attitude to drink. "My uncle who is 63 remembers when you needed a prescription to buy hard liquor," says one tippler in Charlottetown, the provincial capital.

Accordingly, for the first 86 years of the twentieth century, nobody did build a brewery there. Islanders got by on national brands "imported" from other provinces.

Then in March 1986, to general amazement, Island Breweries materialised and started producing Old Abby draught beer from a plant situated next door to Charlottetown Metal Products.

"We did it because we were hoping for changes in the rules governing advertising and taxation and because we wanted to live here," explains James Rix, a distinctly sane-looking company vice president. "It took them three years to decide that we could have a brewery on PEI and five months for us to put it up," he adds caustically. "The women's temperance group was a big obstacle."

Since then, the C$2.5m microbrewery's sales have been rising steadily – buoyed since last April by an additional bottled lager product line – despite the obvious problems of building brand awareness in such a restrictive environment.

"We have had to be creative in our promotions," says Rix, pointing out that the company is even barred from putting the Red Rock lager brand name on its delivery trucks.

To circumvent the island's advertising ban, the company has turned to sponsorship – both of a dog-sled race and the first ever kayak voyage around the island – and to the donation of a small sum to the local hospital equipment fund for each case of lager sold in a given area. It is considering launching customised labels for high-volume taverns and is in the process of procuring a selection of promotional merchandise, including *frisbees*, hats and cribbage boards.

Despite these efforts, Rix says the ban on publicity is forcing Island to spread its geographical net. "Because of the lack of promotions we have learnt that you cannot rely on getting 20 per cent of a small market," he says. "You have to go for 1 per cent of a larger market."

In August 1987, therefore, Red Rock lager went on sale "across the water" in New Brunswick (population 720,000). By this summer, Rix expects the sales network to extend to Nova Scotia and the United States – scene of several previous Canadian beer marketing triumphs by the likes of Molson and Moosehead. "They go heavy on the pure spring water angle down there," says Rix. Island takes its water from cold springs near the plant which are low in bacteria and have an acceptable mineral balance.

The company is also contemplating further widening its product range, including a draught beer kit, complete with refrigerator attachment, for use in the home. "In PEI about 75 per cent of beer sold is consumed in the home and only 25 per cent in taverns," says Rix.

David Owen

هكذا من الاصل

BUSINESS LAW

US court rejects ITC's claim to sovereign immunity

By A.H. Hermann, Legal Correspondent

MAKING unjust claims and making them with haughtiness is a quality difficult to bear even in those who have compensating merits and pay their debts. It is hardly bearable in the International Tin Council (ITC), probably the greatest ever defaulter on the London market, which left a trail of debts approaching £1bn, with constituent member states simply repeating "can pay but won't pay".

The ITC, now enmeshed in a number of appeals in the Appeal Court in London, not only makes unjust claims, but is also provocatively profligate with the money which rightly belongs to its creditors. It takes legal actions which are quite hopeless. The latest example is its recent application to the Supreme Court of New York State to stay arbitration proceedings brought against it by Amalgamate Inc, a New York metal trader which suffered loss by the ITC's refusal to honour three contracts for the purchase of tin at pre-crisis prices.

In his opinion which rejected the ITC's claim,* Justice Parness referred to *Bank Burmirut Malaysia BHD v The International Tin Council* in which the High Court of Malaya ruled out the ITC's claim to extraterritorial immunity, saying that immunity from suits outside the UK "does not appear to have been sought or given" by the parties to the International Tin Agreement. Malaya has been a party to this agreement and a member of the Council. Not the US. A claim of immunity from suit was therefore even less likely to succeed in the US than in Malaya. Still the ITC did not hesitate to make it. It will be blessed by many lawyers, but by few others.

The three disputed contracts were the last of a series of 35 contracts of the same type concluded between the parties. In every case the deal was made over the telephone, followed by a telex confirmation and a contract note supplied by Amalgamate. On the reverse side of this note was a clearly legible statement: "This contract shall be governed by and constructed in accordance with the laws of the State of New York. Any controversy shall be settled by arbitration in the City of New York in accordance with the rules of the American Arbitration Association."

Each contract note was sent in duplicate with the request that the ITC should confirm their agreement by signing and returning the copy. They did so in each case save the last, when the note arrived after the price crash. The ITC claimed that it was not bound by the arbitration clause as this was not agreed when the deals were made over the telephone. The court rejected this argument on the well-established ground that, having signed the contract note containing the arbitration clause without protest 34 times, the ITC must be deemed to have accepted the arbitration clause as part of the terms under which it transacts business with Amalgamate.

This assumption was further reinforced, said the court, by the fact that the ITC Headquarter Agreement with the UK provided that all contracts with UK companies or companies with a principal seat of business in the UK, should contain an arbitration clause.

The court could have saved a lot of breath had it based its judgment on the fact that the Headquarter Agreements also expressly exempted the enforcement of arbitration awards from the immunity from suit granted to the ITC. However, we can be grateful to the court for exploring the field further by proceeding to deal separately with the claim to extraterritorial immunity, thus providing a most useful survey of the US law applicable to such claims.

Under the Foreign Sovereign Immunities Act, immunity from suits is granted to foreign states, which the ITC is not. Under the International Organisations Immunities Act, the same privilege is afforded to public international organisations in which the US participates. They do not participate in the ITC.

The Act of State Doctrine, evolved by US courts, benefits the defendant when sovereign immunity does not technically exist but the court concludes that the dispute is inseparably connected with some sovereign function of a foreign state and should more properly be resolved by the executive branch of the US Government. The doctrine is not applicable, said the court, where the dispute arises out of a purely commercial transaction. The court reasoned that unlike the OPEC price fixing, which benefited from the doctrine, no political or sovereignty issues are involved in the ITC case.

The court noted that had Amalgamate been a UK company or had its principal place of business been the UK, an arbitration clause contained in the sales contract would have been enforceable in the UK under Article 23 of the Headquarter Agreement between the UK and the ITC. The court added that the ITC failed to explain why significant political or sovereign rights would become implicated if Amalgamate was permitted to enforce arbitration in the US but not in the case of a UK corporation asserting such claim in London arbitration.

Having thus disposed of the Act of State Doctrine, the court turned to the ITC's argument that the arbitration proceedings should be stayed on the grounds of comity, that is because of the recognition which one nation gives within its territory to the legislative, executive or judicial acts of another nation "having due regard both to international duty and convenience." The present case did not really raise any issue of comity. As the court said, the Headquarter Agreement between ITC and the UK was not concerned with immunity in any place other than the UK. It expressly mentions that it is applicable only in the territory of the host government. It was not intended to have extraterritorial effect. Moreover, the agreement provides that it would cease to be in force should the Headquarters of the ITC be moved from the UK.

As the UK would have permitted enforcement of the same arbitration claim if brought by a British company in the UK "it was somewhat presumptuous" said the court "to suggest, as ITC did, that a US court as a matter of comity should deprive a US corporation of the right to enforce a claim against the ITC in the US." The New York court referred to the UK decision in *Trendex v Central Bank* where one can read "...a foreign sovereign has no immunity when it enters a commercial transaction with a trader here, and a dispute which is properly within the international jurisdiction of our courts...international comity requires that (the foreign sovereign) should abide by the rules of the market."

Moreover, the New York court concluded that even if UK immunity were to be given effect in New York, it would not apply in the present case as the counter-signature of the contracts by the ITC constitutes acceptance of the arbitration clause and consequently also waiver of the immunity for which the UK legislation provided. In *Arab Banking v International Tin Council et al* an English court held in 1985 that the following clause constituted an express waiver of immunity: "This credit facility shall be governed by and construed in accordance with the law of England and shall be subject to non-exclusive jurisdiction of the English courts."

This formula, said the New York court, was almost identical with the formulation of the arbitration clause accepted by the ITC. It provided for the application of the laws of the state of New York and for settlement of disputes by arbitration in New York in accordance with the rules of the American Arbitration Association.

The court concluded that whatever the consequences of the ITC agreement with the UK, they were never intended to have extraterritorial effect. Nor should they be given one. But even if it was found in favour of such extraterritorial application, the immunity was waived by the arbitration clause.

The court ruled that the ITC has failed to demonstrate that a stay of arbitration was warranted. The petition was dismissed. One may wish that this judgment would deter the ITC from making similar foolish and costly claims elsewhere.

* *International Tin Council v Amalgamate Incorporated (New York Law Journal, January 29 1988, p 14)*

APPOINTMENTS

General manager posts at Sun Alliance

Mr Brian Wright becomes general manager, management services and planning division, of the SUN ALLIANCE INSURANCE GROUP, from July 1. He will remain general manager, life division, of which **Mr Peter G. Taylor** will become deputy general manager. Mr Wright will succeed **Mr Patrick Bartrum**, who is retiring as general manager but will continue as a director.

*

Mr Marc Brugiere-Garde has been appointed assistant general manager in charge of the credit and marketing division of CREDIT AGRICOLE's London branch. **Mr David Kingsmill** has been appointed assistant general manager in charge of the personal finance division.

*

Mr Ian Brooks has joined ESPRIT as director of finance and administration, based at Chesham. He was with the Schlumberger Oil Field Services Group.

*

Mr Andrew Carr-Locke has been appointed financial director of SCOTT.

*

Mr Robin Hyman, managing director of Unwin Hyman, has been elected vice-president of the PUBLISHERS ASSOCIATION from April 21. In 1989 he will become president for a two-year term followed by a further year as vice-president.

*

ABACO INVESTMENTS has made the following appointments to the board: **Mr Richard Lacy**, chief executive of Exco and a director of British & Commonwealth, becomes a non-executive director of Abaco; **Mr Graham Clarke**, managing director of Abaco's residential estate agency division; and **Mr Ron Basher**, managing director of Provincial Bank, banking subsidiary of Abaco.

*

Mr Nigel Franks has joined the board of TEXAS HOMECARE as property director. He was director of property at J. Sainsbury. **Mr Peter Hartley** has been appointed finance director of Texas. He joins from Next where he was finance director and retail operations director. Texas is a division of Ladbroke Group.

*

CARR BOYD MINERALS, in which Ashton Mining now holds 30 per cent., has appointed **Mr Ewen W.J. Taylor**, technical director of Ashton, as a director of CBM. Hill Minerals, where Ashton has about 7.5 per cent., has appointed Ashton's chief executive **Mr Alan K. Jones** as a director.

*

CITIGATE COMMUNICATIONS GROUP has made the following appointments: **Mr Alastair Campbell-Harris**, chairman; **Mr Staffan Gadd**, joint deputy chairman (non-executive); **Mr Leo Cavendish**, joint deputy chairman; **Mr David Wright**, chief executive; and **Mr Charles Good**, non-executive director. Joining the board of Citigate Communications are: Mr Cavendish, chairman; Mr Wright, managing director; Mr Campbell-Harris; **Mr Jonathan Clare**; **Mr Ian Hunter**; **Mr Geoffrey Morgan**; **Mr Toby Mountford**; **Ms Charlotte Raeburn**; **Mr John Radofsky**; and **Mr Kevin Steeds**, finance director. **Mr John Chapman**, **Ms Jackie Morgan** and **Mr Ian Seaton** become assistant directors.

*

Mr Reginald B. Pomphrett has been appointed a non-executive director of SECURITY SETTLEMENTS. He was with Greenwell Montagu Securities.

*

EDINBURGH FUND MANAGERS has appointed **Mr W.G. Riddell-Carre** as a main board director. **Mr J.S. Hay** and **Mr A.M. Florence** have been appointed assistant director.

*

Miss Philippa Back will become group finance director of D.C. GARDNER & CO., on February 29. She is treasurer of Bowater Industries.

*

Mr Patrick Diamond, deputy chief executive of British Home Stores, has been appointed to the board of parent company STOREHOUSE. He will be responsible for setting up new divisions providing distribution and management information services across the whole group, and becomes chief executive of the new divisions.

*

Mr Martin S. Berry, **Miss Iris Tan**, **Mr J.W. Ramplin**, **Mr Simon Ward** and **Mr T.R. Usher** have been appointed to the board of EAST WEST INSURANCE CO., a Sime Darby Group subsidiary.

*

Mr Peter V. Baker has been appointed a director of NICOLLS POINTING COULSON, Lloyds brokers.

*

Mr John London has retired as chief executive officer of THE ALEXANDER CONSULTING GROUP, but continues as a non-executive director. He is succeded by **Mr R. Allan Durward**, who was chief operating officer. **Mr Brian R. Gibson** has been promoted to chief operating officer.

*

Mr Dudley Thompson becomes an executive director of GOODE DURRANT on February 15, with responsibility for finance, accounting and administration. He joins from Imperial Continental Gas Association.

*

Mr David Malpas, managing director of Tesco, has been appointed a non-executive director of MAGNET.

Guinness solves its frothy problem

By Lisa Wood

HOW TO give canned stout the same creamy head as draught Guinness is a problem that has absorbed researchers at the UK drinks group for five years.

But in April the company will test-market canned Guinness which it claims looks and tastes like the draught product, as well as producing the same rich head.

The secret, says Guinness, lies in a patented in-can system (ICS). This, a plastic moulded device with a minute hole, is placed in the bottom of the can during the first stages of manufacture. When the can is filled a small amount of stout passes through the hole and into the ICS.

The space within the device and in the can are kept at an equal greater-than-atmospheric pressure. Therefore, when the can is opened the stout in the ICS pushes out into the remainer of the contents. It is this surge which releases nitrogen and carbon dioxide within the stout to give a smooth draught Guinness-like head.

Andrew McMeekan, Guinness Brewing marketing director, says: "Not only is draught Guinness in a can an innovative technical achievement, it *is also a genuine first* in the take-home beer market."

A heavyweight advertising campaign is being put behind the product in an effort to revive Guinness's declining share of the UK's £1bn-a-year take-home packaged beer market.

Guinness believes the product will not detract from sales of its canned and bottled Guinness Extra, which is brewed differently from its draught stout. Sales of the company's draught product have been rising by four per cent a year in a static overall market for beers in the UK.

Bill Lupien

BILL LUPIEN, chairman of Instinet, the automated securities dealing system, announced his resignation months after Reuters acquired the company, rather than days as stated in our article of February 3.

Cable TV finds direct line into telecommunications

BY DAVID THOMAS

THE BATTLE between British Telecom and Mercury Communications, the two network operators fighting over Britain's liberalised telephone market, has drowned out the sound of a host of new local telephone operators springing up in the UK.

These entrants to Britain's dynamic telecoms market are the companies, typically start-up concerns, which have been given local franchises for cable television. The Cable Authority, the industry's regulatory body, awarded its twenty-second franchise – for the Kensington and Chelsea district of London – last week.

These Davids preparing to challenge the BT Goliath did not enter life as telecoms companies. Yet several of them, no doubt motivated in part by disappointment at the so far sluggish interest in cable television, are now thinking hard about the opportunities of becoming local telephone companies.

Under existing regulations, cable telephone companies are free to offer local telephone services, though only in conjunction with one of the two national network operators. Cable Camden, which holds the franchise for the London Borough of Camden, was one of the first off the starting blocks last year when it established a trial telephone service via a microwave transmission link with Mercury.

Networks could soon be earning as much from telephony as from TV services

But there has been a drawback for those companies, like Cable Camden, which have been transmitting their television signals over traditional coaxial copper cable, rather than using the next generation fibre optic cable that is still too expensive for widespread use in local networks.

The telephone and television signals have had to travel along different wires. This means that a cable company which has cabled, say, a block of flats for television has to re-wire the block if it decides to launch a telephone service: typically, the coaxial television cable is overlaid with a standard twisted pair telephone cable.

An end to this inconvenience may be in sight, however. Cabletime, which specialises in making equipment for cable operators and is a Newbury-based subsidiary of UEI, the electronics and engineering group, has come up with an advance which it claims will do away with the need for two cables.

So far unnamed and still in the trial phase, it involves modifications which will integrate telephony into the television cable at a cable switch point out in the street. It also means that customers will require two junction boxes – one for telephony and the other for television – at the point where the coaxial cable enters their homes: at present they have just one.

But this extra box will do away with the inconvenience of rewiring, cutting costs and allowing cable companies to respond more flexibly to the demand for local telephone services as and when it emerges.

Len Mann, Cabletime's managing director, is bullish about the prospects: "We believe this is the first time that telephony has been integrated into a cable TV network in a practical cost-effective way."

He adds: "The development brings closer the day when a cable TV network will earn as much revenue from interactive services and telephony as it will do from cable TV programming."

Whether his high hopes are realised will turn on whether Cabletime launches its innovation as planned later this year, once trials now under way with Cable Camden and Windsor Television have been completed, and on how much the company charges for its invention.

Len Mann, managing director of Cabletime: "This is the first time telephony has been integrated with a cable TV network."

Blood's rich rewards start to filter through

BY DAVID FISHLOCK, SCIENCE EDITOR

A MICRO-FILTER developed originally for the nuclear industry, to separate isotopes of uranium in the process of uranium enrichment, is the basis of a new technology for fractionating blood into high-value components for use in medicine, biotechnology and agriculture.

This ceramic filter is robust, well controlled in pore size, and above all resistant to "blinding", the clogging which has previously hampered use of filtration in the separation of blood components. A micron-sized ripple on the filter's surface creates enough micro-turbulence to keep the filter clean and permit continuous processing of blood.

The filter, made by Ceraver in France as a hexagonal rod, and engineered by APV Baker of Crawley, Sussex, lies at the heart of technology being developed for Bioseparation Associates, a new bio-medical venture launched earlier this month.

According to John Watt, technical director of the venture, the transverse flow filter designed by APV will reduce to 2.5 hours a seven-stage process of blood fractionation which currently requires five days when done by high-speed centrifuges.

Watt has designed a "black box" being built by APV. This container, five metres long, one metre wide and three metres high, incorporates seven stages of separation, all based on the ceramic filter. It will eliminate the problems of high-speed centrifugation, which include the difficulty of sterilising centrifuges, of removing their heat, and of combatting the corrosivity of blood, claims Watt.

The first "black box" will be installed later this year in a factory at Livingston, Scotland. It will process blood from Scottish abattoirs, starting with that from British Beef at Hawick.

Initially, the device's main products will be feed supplements for young livestock and materials for tissue culture – substitute foetal calf serum – required by companies making vaccines and monoclonal antibodies.

This unit will cost about £1m, Watt estimates. He plans to extend the process to other blood fractions, including peptones extracted from the red cell fraction, which he believes will find a market as a fermentation substrate in biotechnology.

Bioseparation Associates, backed by a total of £3.5m in venture capital, grants and loans, also plans to sell the packaged technology overseas, in collaboration with APV.

The partners believe it will prove satisfactory for processing human blood for blood transfusion services.

John Watt and his partner John Hamilton, a chartered accountant with prior experience of start-ups, hold 20 per cent of the equity of Bioseparation Associates, a company Watt has been planning for four years. Watt met Hamilton when both were helping to set up the Iranian national blood transfusion service in the early 1970s.

Watt was scientific director of the Scottish blood fractionating centre until 1983, hired originally to make Scotland self-sufficient in blood plasma fractions. He designed the blood separation plant now operating in Edinburgh, a semi-continuous process using centrifuges.

But his ambition has been to abandon the high-speed centrifuge for the simplicity of filtration. He believes success lies with the transfer flow system developed by APV, using the ceramic micropore filter with pores as fine as 2 micrometres.

Initially, the new venture will concentrate on using abattoir blood. The partners estimate that there is already a world market worth over £20m a year for tissue culture medium and a market worth £150m for cell culture medium. But they are already eyeing what they see as a "second-generation market" – for the components of human blood plasma.

WORTH WATCHING

Edited by Geoffrey Charlish

Animated answer to complex problems

NEW DESK-TOP computers and software with enough power to present animated, three-dimensional colour representations of highly complex technology problems are planned by an emergent Sunnyvale, California company called Ardent Computers.

Events will be seen immediately on the screen as they are being generated by the processors, with no delay due to intermediate storage.

This is a highly desirable facility for scientists and engineers, but to date has implied costs well into six figures. These machines, however, are expected to have a basic price of $80,000 to $100,000. Applications will include molecular modelling, mechanical dynamics and seismic data manipulation.

Such abilities are more often associated with powerful machines from Cray, IBM and DEC. But Ardent – started two years ago with $32m of venture capital – plans to introduce hardware of similar power (64 bits) in a few weeks time. This will combine processing of the kind used in supercomputers like the Cray, with the best in graphics presentation. The result, it is claimed, is a 10 times improvement over existing desk-top performance, at a realistic price.

The company has already launched appropriate software called Dore (dynamic object-rendering environment). Although at its best on the new Ardent machines, Dore will also run on Sun and Cray computers.

Ardent is hoping to establish a standard by offering the software to universities and research bodies in the UK for a mere £200. Commercial users will have to pay £10,500.

US gets quicker on the electronic draw

DRAWINGS up to three feet wide, and of any length, can be scanned for entry into electronic systems with a unit from Intergraph, US-based computer-aided design (CAD) company. The process takes a fraction of the time taken by methods in which a hand-held digitiser is moved over the surface of the drawing.

Developed by Intergraph subsidiary Optronics, the E/Scan 200 pulls in the rolled-up document and examines the whole surface at a definition of 200 dots per inch.

The resulting signals can be used to put existing drawings (or photographs) into CAD systems, to keep drawings on magnetic disk for rapid retrieval, or to enhance older, damaged drawings so that they can be reprinted as new.

Steady landings in West Germany

WEST GERMANY'S Aerospace Research Establishment and the Federal Bureau of Air Safety have developed a computer system called Compas which provides air traffic controllers with plans for dealing with all the aircraft approaches anticipated over a 30 minute period.

The idea is to ensure a steady and continuous series of landings.

The controllers can accept the computer's plans and adjust the approach of incoming aircraft in line with these recommendations, or they can alter the approach path if they think it desirable.

Controllers trying out the system at Frankfurt airport found it made their job easier.

Soft control of big switchboards

ORGANISATIONS WITH many telephone operators handling large numbers of incoming phone calls through a Thorn Ericsson ASDP 162 automatic call distribution system, are being offered software that monitors all the lines and operator positions.

Called the Manpower Planning System, it can give accurate predictions about the number of staff needed, use of the lines and budget requirements.

CONTACTS: Ardent Computer: US, (408) 732 0400 or 0256 69911 in the UK. Intergraph: UK office, 0793 619999. German Aerospace Research: Bonn, 228 303310. Thorn Ericsson: UK, 0483 64166.

ARTS

Carmen, Seraglio/Reading

Max Loppert

For their 1988 Spring Tour to 20 English cities and towns, Opera 80 have mounted new productions of *Carmen* (in the Moody translation) and *Die Entführung aus dem Serail* (in Andrew Porter's). After several seasons in which the production policy of the company became increasingly adventurous (with results good and bad, often side by side), Stephen Barlow, the new Music Director, now pins his colours to the standard of stagings "imaginative and truthful . . . that remain absolutely faithful to the composers."

In principle, that's not an unworthy aim. In practice, and to judge from the latest Opera 80 offerings as seen at the Hexagon, Reading earlier this week, it proves no guarantee of quality. In the case of *Carmen*, which has brought forth what I fear is the single most dismal showing in the company's eight-year history, absolute faithfulness was in the nature of things beyond reach from the start. With no boy's chorus available, and with an adult chorus made up of *Seraglio* principals, the scope of the opera, which embraces scenes and confrontations large and small, is straitened.

A chamber-*Carmen*, tautly dramatic, could still be a stimulus to the right production team and cast; but staging and design are in this case feeble, stiff, and colourless to a point far beyond charity, and there's not a plausible *Carmen* voice in the company. (My heart bled for the young José – the pressures of the musical line on an incompletely finished technique were painful to witness.) One's main responses to the show soon took the form of autopsy: how was the whole inert mess ever allowed to come about?

Happily, the *Seraglio*, conducted by Mr Barlow, produced by Michael McCarthy, and designed by Simon Banham, redresses the balance: it's very much the sort of performance the company was devised to give. The scale of the opera immediately lends itself to the enterprise, of course, and though it might be thought impossible for any small company with so rigorous a schedule to acquire even halfway-decent singers for Mozart's extravagantly written roles, the music is in the main delivered with very pleasing honesty and thoroughness.

Jennifer Rhys-Davies' Constanze has a spin in the tone, a cleanliness and brightness of focus, and an emotional energy that make one eager to overlook the occasional broken phrase. The two tenors – Alasdair Elliott (an elegant and sensitive Belmonte) and the experienced Adrian Thompson (a loveable Cockney Tweedledum of a Pedrillo) – are well parted and matched. Arwyn Huw Morgan's Osmin, not large of voice but true and secure, is attractive, menacing, and ridiculous – exactly the right combination of qualities. The Pasha (Jonathan Veira) cuts a commanding figure, though he has not been taught how to pace and shade the text with similarly imposing stature.

The single set is a cool fortress courtyard, at once severe and exotic. Movement is neat and economical; the production betrays the aim of faithfulness only in having Belmonte sing his second aria directly, and nonsensically, to Constanze, and in lighting and colouring the faces so as to mask (and at certain moments spoil) good features. Mozart's rococo entertainment overfilled with marvellous music offers one of the best introductions to opera, and Opera 80 have worked its charms and beauties to certain effect.

Olaf Baer/Wigmore Hall

Andrew Clements

Olaf Baer is essaying the triple Schubertian peaks of the Lieder singer's art in recitals in the Wigmore Hall this week. Tonight, accompanied by Geoffrey Parsons, he sings *Winterreise*, on Saturday *Schwanengesang*; on Tuesday he opened his Schubert series with *Die schöne Müllerin*. Of the three great cycles it is Baer's *Schöne Müllerin* that is the known quantity: his recording with Parsons appeared last year, and in the summer of 1986 he sang it in London in a recital given as part of the City of London Festival.

That interpretation was a formidable, sometimes astounding achievement, and for anyone who had not heard how Baer's art had progressed in the intervening period, the Wigmore Hall account made a fascinating document. Visually Baer is now a more demonstrative, self-confident artist, with an outward-going platform manner and a concern to counterpoint his verbal inflections with the hints of dramatic ones. Musically his attention to detail, to the shape of phrasing, the weight of tone and its shading, is just as immaculate, perhaps more refined. What has not been extended, perhaps surprisingly, is his inclination to probe the song texts more deeply and wring out every nuance. Perhaps comparisons between him and the young Fischer-Dieskau have encouraged one to expect a similar approach to Lieder singing; for Baer, it seems, the expressive quality of the line, the arch of the phrase, will not be sacrificed to the passing excitement of an underlined syllable.

Thus this *Schöne Müllerin* was a feast of finely sustained lyric singing rather than a psychological exploration of the texts. Almost every song contained marvellous examples of Baer's craft and of his ability to fine down his tone as easily as he can swell it. The opportunities missed – some of the ecstacy in "Mein," the last ounce of poignancy in "Die liebe Farbe," a degree of dramatic pointing in "Eifersucht und Stolz" were almost negligible in comparison with the rewards of the rest. Parsons' accompaniments were models of tact and support. A rewarding and tantalising start to what promises to be a most memorable series of recitals.

'One Way Pendulum' revived

The first London revival of N.F. Simpson's farce *One Way Pendulum* will open at the Old Vic on May 3, directed by Jonathan Miller. The cast will include Peter Bayliss, Brenda Bruce, Kathryn Pogson, Andrew St Clair and Harold Innocent.

Prior to the Old Vic season, this production will open at Ed Mirvish's Canadian theatre, the Royal Alexandra in Toronto on February 27.

"Faust" at the Lyric, Hammersmith

The Lyric Theatre, Hammersmith is to present the first major post-war production in Britain of Goethe's Faust I & II, directed by David Freeman with Simon Callow in the title role.

Nigel Osborne is to compose the music in collaboration with the actors, who are using a new translation by Robert David MacDonald.

"The Stonemason's Yard" by Canaletto

National Gallery/David Piper

The founding father's gift

Patronage is not always gas and gaiters for either the patron or the patronised (it is difficult for the passive not to carry overtones of subservience). As a museum director I sometimes wondered, in the midst of uttering humble (and sincere) gratitudes, why it can be so impossible to convey to some patrons that it may be even more difficult to be a really true benefactor than it is to be a really true beneficiary. That when you give, and once you have expressed any particular wishes you may have about the application of your gift, you must indeed give, part with, and let go.

The National Gallery, on the 150th anniversary of its opening on Trafalgar Square, is celebrating both the person and the benefaction of Sir George Beaumont, Baronet; he did not live to see that opening, dying in 1827, but without him it might not have happened.

The Beaumont Gift comprised a relatively modest total of sixteen paintings, but they included some that have held very high places ever since in public admiration and affection. All sixteen are now brought together in the Sunley Room (till May 3) except for the one casualty, a Richard Wilson destroyed by enemy action during 1939-45, represented by a photograph (it would perhaps have been rather a luxury to bring over the version of it that belongs to Yale). Normally, those of the British School are now housed in the Tate Gallery, and not quite all of the others are always visible in the National primary galleries, though they can of course be seen in the Reference area downstairs.

In this exhibition the Gift is supported by some relevant borrowings, including the shadowy yet luminous painting by Constable of the monument that Beaumont erected to the memory of Sir Joshua Reynolds in his grounds in Leicestershire, "Cenotaph to Reynolds' Memory, Coleorton." That is Constable's moving and heart-felt tribute, not perhaps primarily to Reynolds but rather to Wordsworth and to Beaumont himself though, painted after Beaumont's death, it was not part of the Gift but came to the Gallery later.

Beaumont's relationship with Constable reveals Sir George as almost a model patron, almost indeed as much as does the latter's bond with Wordsworth, though that was sealed with a mutual love, intimacy and understanding altogether surpassing that with the painter. Indeed, Beaumont was not a patron for Constable in a very material sense, never subsidised him, never even bought anything from him. But over the years he opened to him, as to other younger painters, full access to his collections, so that it was with Beaumont that Constable first felt the quality of Wilson and especially Claude at their best, and indeed more up-to-date innovations of Girtin whose work influenced his own developing style.

Beaumont and Constable grew into real friendship especially in the latter's later years. Beaumont gave him generous hospitality, worried about his health, and in the end came to respect his work, and they seem to have reached amicable disagreement where necessary. Ironically, Constable could never reconcile himself to the desirability of what came to be Beaumont's major goal, the establishment of a National Gallery, as in Constable's view that would only lead to a proliferation by English artists of muddy exercises in the manner of varnish-dimmed Old Masters.

Though both were capable of considerable asperity, they seem to have argued together amicably. The charming anecdote of one example has become famous in the history of English art. As they walked in Beaumont's park, Beaumont was maintaining that the proper tone of a landscape was that of an old, mellow Cremona violin. In response, Constable went back into the house, emerging with a brown violin which he laid on the green grass to speak for itself.

Yet both were united in their admiration for Wilson (with some reservations) and Claude. One may wonder how Beaumont would have reacted to the three Claudes now innocent of any trace of yellowing varnish (he once wrote of "abominable picture-cleaners") but, though I think there is little doubt as to which side he would generally have been on in the numerous, sporadic and violent controversies about cleaning that have beset the National, I suspect that in front of the "Hagar and the Angel" that he loved above all others, refusing to be parted from it, as it now is he would have yielded to the limpid distances – as would have Constable, who loved it too, to the point of reflecting it in his own "Dedham Wood."

Yet to many younger artists Beaumont seemed old-fashioned in his views, and not always even a trustworthy patron. He could be capricious, but his position in his maturity as the dominant arbiter of "genteel taste" in England was backed by his own accomplishment as practising painter. Works by him in the show include his "Jacques and the Wounded Stag," an echo of which occurs in Constable's painting of the Reynolds' Cenotaph.

Beaumont remained always rooted in the classical, arcadian and heroic vision as in Claude and Gaspar Poussin. If he had difficulty in admitting the intrusions of the every day weather in Constable, the virtuoso innovations of Turner remained always anathema. Thus the work of the two greatest landscape painters in British art was unrepresented in his own collection. With some painters, notably B.R.Haydon, he had problems, though he was far from alone in that case, but his authority inevitably bred resentments.

To the nation, however, he was to prove a faultless patron, giving liberally in his own lifetime his most precious treasures – "doubly liberal" in so doing, noted a contemporary. The Claudes, the classical Nicholas Poussin landscape – Constable thought that "the most affecting" picture he knew. Then there are Canaletto's Venetian masterpiece in sun and shade, the "Stonemason's Yard", so startlingly different from a "routine" Canaletto; one of the most majestic of all Rubens's great sweeping landscapes, glorious in the early morning light. One of the two Rembrandts – the popular, highly picturesque figure of the "Jewish Merchant" – was demoted, I think some years ago, in an early strike by the panel of Dutch experts sometimes called the "Rembrandt hit squad" – but it still rewards contemplation, and the other Rembrandt, the small grisaille, "Lamentation over the Dead Christ," seems to have survived the very recent Rembrandt seminar, actually held in the National. And the Bourdon – that very variable master – has here perhaps his masterpiece, a landscape like a fine Poussin, yet with an unique, haunting tenderness and mystery.

A booklet, reproducing everything in the show, is available, compiled by Felicity Owen and David Blayney Brown. A minor error in it (describing Chantrey's admirably atmospheric plaster bust of Wordsworth, lent by the Ashmolean, as "cast from" the marble now in America – it is in fact the modello *for* the marble) is corrected in the same authors' comprehensive, deeply researched and fully documented and illustrated biography of Beaumont, "Collector of Genius," published to coincide with the exhibition (Yale University Press; £19.95 until 30 April, thereafter £25). This must be, for a long time to come, the definitive biography but is also a very rewarding contribution to the artistic and literary history of the romantic period.

The founding of the National Gallery was the crown of Beaumont's achievement, created not by appropriation of a royal collection (as in some other places) but by careful tactical seeding impelled by the most generous ideals, in the best British tradition. A larger, more important collection became available – the formidable accumulation of the financier Angerstein, following his death – but for sale. Beaumont's proposition was: "Buy Angerstein's pictures, and I will *give* you mine." Even the British Government was moved – to vote cash for art, but it may be doubted if they would have done so but for Beaumont's overwhelming prestige. In time of course a National Gallery of some kind would have emerged somewhere, but that it would have provided a comparable base from which the great collection we now know could have grown so well is far from certain. Of that institution Beaumont can be called without exaggeration the Founder, setting a habit, too, of enlightened and unselfish patronage that still persists.

The Quartered Man/Shaw

Michael Coveney

A terrorist attack on the United States Embassy in Costa Rica is announced over the radio. The stage dissolves into a bitty mélange of soft-soaping Ambassador, tortured Irish nun, pornographic home movie shot coyly through the Stars and Stripes, and confused representative of the Central Intelligence Agency.

His confusion was nothing compared to mine. Donald Freed, who wrote *Circe and Bravo* in which America's First Lady turned the tables on her repressive minder, and a study of the Rosenbergs, is not a lucid dramatist. Nor does he prove, alas, a lucid director.

This play about the making and breaking of an alcoholic CIA man in Nicaragua is the Central American equivalent of Simon Gray's menopausal *Melon*. Gray's publisher participates in his own hallucinations, just as Freed's George O'Connor (Barry Foster) is pushed to destructive recollections by present crisis.

It *is* one of those plays where the shape of things to come flashed by an hour ago. Sister Cassidy is abused and "disappears" before we see her plead with O'Connor for protection from the Contras' death threats. The Ambassador (Don Fellows) is reminded by a media-manipulating mercenary (Andy de la Tour) of how the assumption of control by the Americans of the Managua newspaper La Prensa precipitated the military intervention.

Bouncing around in the middle is the wounded CIA man, an all-American football hero at Notre Dame whose view of patriotism is under siege. His fate is mysteriously compared with that of the last Indian chief, whom the conquistadores quartered and buried, his remains pointing in four contradictory directions. O'Connor is tugged by his past, the present, his country's expectations, and his wife.

I find myself making this sound all more plausible and indeed coherent than it actually is in the theatre. The first half is an appalling mess, unassisted by Mr Foster's tentative and fussing performance, unaided by Mr Freed's ponderous and indecisive direction. But the seeds of a stronger second act are sown by a worker priest's damning accusation that O'Connor is in cahoots with the Contras.

This prompts the long and meaty confrontation, the salami pow-wow, between O'Connor and the importunate Father Cruze (Frank Grimes), which comes after a desperate but unimaginative strike for the agent's political soul by the Ambassador.

The nature of Americanism crops up thereafter all over the place, with the priest singing the Christian Marxist cause and O'Connor withdrawing, foetally and fatally, into a glazed alcoholic monologue of his glory on the football field, his upbringing in the country where two rivers converge.

His past agency activities in Thailand and Saigon come out, as does his character-building association with the Kennedy Camelot years. Less clear is what caused the wreck of his marriage, why on earth the disaffected Mai (Shelley King) is messing around with a houseboy before disappearing herself.

Only Frank Grimes, in the best written role, is really seen to advantage. The rest is a pious and rather sententious exercise in self-criticism and anti-patriotic disavowals. One quite understands why. But a good play is not guaranteed.

David Glass/ Bloomsbury

Claire Armitstead

David Glass has packed a good deal into his 31 years. Names such as Jacques Lecoq, Lindsay Kemp and Peter Brook pepper a *curriculum vitae* that extends back to an early grounding with the London Contemporary Dance School. It is enough to furnish a three-programme retrospective, which kicked off this week with his apocalyptic mime drama *The White Woman*, from 1982 the earliest of the trio, but one which has travelled well from the salad days of Greenham to the post-Chernobyl era.

His theme is nuclear annihilation – before, during and after – and his protagonist is a woman who fights her way through the "trash, garbage, waste" of the modern city only to fall prey to the primeval violence of a male assassin. The narrative emerges most clearly in the second half, when the woman, bearing two embryos she has found in a golden globe, negotiates a way through rivers and across mountain passes in a section that takes its images and atmosphere from Eastern traditions. The assassin wields a cudgel like a Samurai warrior, while the woman carries her embryos across her shoulders on a stick, her sun hat dangling between her shoulder blades.

The urban first section is harder to follow, but pulsates with the fractured rhythms and frenetic transitions of a city that can't hear the music for the beat. Grace Jones provides the soundtrack for what emerge as scraps of humanity: the down-and-out fishing for valuables among the trash cans; the skate-boarders and dog-walkers above ground and the sardine-like tube travellers below it. Through it all Glass displays an elasticity of face and limb that keeps the impressions coming. There are hints here and there of the sort of routines that give mime a bad name (the hand animals and eternal gropings around imaginary windows) but the flirtation with cliches becomes part of the wit of the piece, just as the play with some fairly hackneyed scenarios becomes part of its originality.

The Bloomsbury shows continue until Saturday with his psychological thriller *The Shrinking Man* and the film-making fantasy *Dinosaur of Weltschmerz*.

Alastair Muir

David Glass

Arts guide

February 5-11

Exhibitions

LONDON

Tate Gallery. Douglas Cooper – The Masters of Cubism. A small but choice selection of 81 works on paper from Cooper's collection of cubist art of all kinds but principally of the work of the great quartet of Picasso, Braque, Gris and Leger. Ends April 4.

Tate Gallery. Young Turner: Early Work Until 1800. The latest in the continuing series of small temporary exhibitions in the Clore Gallery devoted to the many aspects of the vast number of water colours and drawings in the Turner bequest. This display covers the crucial 12 years or so from the mid-1780s which saw Turner mature with astonishing rapidity from competent conventional topographist to a virtuoso of the medium of water colour of astonishing breadth, freedom and originality. Ends March 20.

PARIS

Zurbaran. From New York, an exhibition of 72 paintings retraces the artistic development of one of the great masters of the Spanish Golden Age. Influenced at first by Caravaggio's chiaroscuro technique, Francisco Zurbaran progressively abandons the strongly-contrasted rich colours for a softer palette with near monochromes. Reversing the perspective, using geometrical composition settings and shedding everything superfluous, the mystical painter of the counter-reformation seems to be a precursor of Cubism. Grand Palais. (42560924). Ends April 11.

Musée des Arts Decoratifs. More than a thousand wooden toys from as far afield as Greenland, Mexico and Russia carved by 18th century woodcutters or modern designers recreate the enchanted childhood world of villages and dolls, horses and trains. 107 Rue de Rivoli (42603214). Ends Feb 14.

Grand Palais. Treasures of the Celtic Princes. Prestigious archeological finds from what is, nowadays, France, Germany and Austria, bear witness to a luxury-loving civilisation which flourished in the Celtic universe. Bronze armour, cauldrons, the crater from Vix, all imported from Greece or Etruria. (42560924). Ends Feb 15.

Musée D'Orsay. Van Gogh in Paris. More than 50 paintings mark the centenary of Van Gogh's two-year stay in Paris, a period which proved decisive in his artistic development. They come from national and private collections – the largest contribution is from Amsterdam – and a dozen of his drawings of landscapes, still life and portraits. The exhibition is completed by some 50 paintings by Monet, Anquetin, Renoir, Toulouse-Lautrec and Signac whose influence helped to transform the Dutch artist's traditionally sombre palette into a blaze of primary colours. Yet despite the revelation of his affinities with impressionism and pointillism structured by a strong dose of "Japanism," Van Gogh used both techniques to express his profoundly personal art. (45 49 48 14). Ends May 15.

WEST GERMANY

Munich, Villa Stuck. Pablo Picasso exhibition (on loan from the Hanover Sprengel Museum) displays around 300 paintings, drawings, graphic art prints from the artist's complete artistic range, spanning cubism, classicism, and surrealism, as well as Picasso's later work. Prinzregentenstr 1. Ends Feb 28.

Stuttgart, Galerie der Stadt. Max Ackermann (1887-1975). The 100th anniversary of his birth commemorated by a comprehensive retrospective with 80 pictures from the main periods of his working life. Schossplatz 2. Ends Feb 21.

ITALY

Rome, Palazzo dei Conservatori Campidoglia. Hidden Treasure: The Imperial Silver Collection From Kaiseraugst. An extraordinarily fine collection of silver tableware dating from 350 AD, hastily buried by two Roman generals, Marcelliano and Romulo, when the Castrum Rauracense (the site of the modern village of Kaiseraugst) on the northern perimeter of the troubled Roman Empire was threatened with barbarian invasion. They clearly intended to collect their possessions once the danger was past. The treasure was discovered in 1962, during excavation work for the foundations of a school. 254 pieces – weighing 37 kg of 97 per cent pure silver, reckoned to correspond in value to one year's pay for 140 Roman soldiers. The portraits on the 167 fine coins and ingots have made it possible to date the collection precisely. There are delicately-curved, long-handled spoons, some silver beakers (glass was already more fashionable), serving dishes – one splendid octagonal, one decorated with a frieze recounting the life-history of Achilles, and another rectangular, decorated with a charmingly improbable fish, and an elaborate candlestick with markedly oriental decoration, inlaid with gold. Ends Feb 14.

Rome, Galleria Nazionale D'Arte Moderna. Van Gogh: Paintings and Drawings 1883-1890. The hysteria caused by the opening of this long-awaited exhibition put the fragile organisation of Rome's major modern art gallery under severe strain on opening day. Things should be calmer towards the end of the two-month run. Around 60 drawings and 42 paintings have been lent by Dutch galleries, including the Rijksmuseum Van Gogh in Amsterdam and the Kroller-Muller in Otterlo. Works ranging from the fierce, dark intensity of The Potato Eaters, and the portraits of peasants and landscapes painted at Neunen in Southern Holland in the years 1883-85, through the joyous Path Through The Woods (Paris 1887), the exhilaration of the cornfields and olives of Arles and Saint-Remy, to the last works at Auvers-sur-Oise. One is left with an extraordinarily mixed series of emotions. Ends April 4.

SPAIN

Murcia. Sala de Exposiciones. The Romantic Tradition in Contemporary British Painting proposes that a parallel development to modernism has embraced most major British artists since William Blake and that it is as alive today as 150 years ago. This is the first exhibition to undertake such a re-examination and the first group exhibition of contemporary British painting to tour Spain. It features 10 artists and 36 works from private and public collections, some being shown for the first time. The romantics established a spiritual-landscape tradition which proved to be indigenous and an enduring influence in the century to follow. This lineage can clearly be traced from the 19th century through Nash, Sutherland, neo-romanticism, Moore, Bacon and british abstraction of the 1950s to the artists represented in this exhibition. Ends March 3. Moves to Circulo de Bellas Artes, Madrid for March 10 to April 17.

SWITZERLAND

Geneva, Galérie Jacques Benador. Alberto Giacometti drawings and rare prints. 7 rue de l'Hotel-de-Ville. (21 61 36). Ends March 26.

WASHINGTON

National Gallery. A centenary retrospective of Georgia O'Keeffe includes 115 oil paintings and drawings, among them rarely seen examples from her familiar New Mexico landscapes, exotic flowers and still lifes. Ends Feb 21.

CHICAGO

Art Institute. More than 80 drawings of early 19th-century architect Friedrich Weinbrenner show his influence in rebuilding Karlsruhe and Baden Baden as well as doing numerous commissions for German royalty. Ends Feb 28.

TOKYO

Seibu Gallery, Seibu Department Store, Ikebukero drawings, photographs and videos by Christo. Of special interest are the designs for a project that could be realised later this year – the simultaneous erection of thousands of octagonal umbrellas in the US and Japan: yellow to blend with the desert landscape of California, and dark blue to merge with the lush greenery of a valley in central Japan. Closed Thursdays. Ends Feb 16.

Suntory Museum, Akasaka Mitsuke. Japanese ceramics. A representative selection of about 100 items from the museum's collection, ranging from pieces from the Nara period in the 8th century to the present. Best are those from the 14th to 18th centuries, the heyday of Japanese ceramic art. The items are well labelled in English and there is an excellent all-colour catalogue. Closed Mondays. Ends Feb 14.

Japan Folkcraft Museum (Nihon Mingeikan), Komaba. Prints by Munakata Shiko; pottery by Kawai Kanjiro. A special exhibition featuring works by two of the leading Japanese artists of the 20th century. Munakata's prints are dynamic and vertiginous (possibly because he was near-sighted from his youth onwards); while Kawai's distinctive style favours brightly coloured glazes. Don't miss the superb standing collection of crafts from all over Japan, housed in a replica of an old farm-house building which accords perfectly with the un-selfconscious beauty of the objects. Closed Mondays.

Tobacco and Salt Museum, Shibuya. Beauties of Edo. Pleasure was pursued avidly by the people of Edo (present-day Tokyo) and the courtesan was therefore an important figure in this "floating world." The highlights of this exhibition are inevitably the woodblock prints by Utamaro, the great master of female portraiture whose scenes of the licensed quarters have great wit and elegance. Closed Mondays.

Tokyo Metropolitan Teien Art Museum, near Meguro. Sweet Memories. Views and genre scenes of Tokyo, focusing on ordinary people and their lifestyle from Edo era woodblocks to contemporary works. An evocation of a city that is, for the most part, no more. The museum is housed in the former residence of a member of the imperial family and has a lovely garden and one of the world's finest art deco interiors. Closed Mondays. Ends Feb 14.

Saleroom/Annalena McAfee

Viennese upset

Sotheby's sale of Viennese paintings proved a disappointment yesterday. Nearly half the lots were left unsold, including Koloman Moser's "Peonies and Violets," which had been expected to fetch up to £120,000. Drawings by Gustav Klimt and Egon Schiele were also bought in, for £10,000 and £16,000 respectively.

The poor bidding was a particular disappointment since it followed Sotheby's highly successful sale of Viennese paintings at the end of 1986. Yesterday's sale yielded a total of £754,744 with the top lot, Carl Moll's "A Park Under Snow," going for £93,500 to an anonymous buyer. Koloman Moser's vineyard and bird design for the decorative altar frieze in the church of Am Steinhof in Vienna went for £60,500 and his portrait, in profile, of his mother-in-law fetched £44,000. A decorative design by Gustav Klimt for a proscenium doubled its estimate of £18,000 and Sergius Hruby's allegorical "Apotheosis" sold for £30,800.

The resurgence in Scottish arts was sharply reflected in Sotheby's Glasgow sale of Scottish and sporting paintings, drawings and watercolours on Tuesday night. Several new record prices for artists' work were set and there were strong bids, from Scottish and international buyers, for works by the colourists Peploe, Cadell and Hunter and for the Glasgow Boys group.

The top lot was Peploe's "Still Life of a Geranium and a Blue Bowl," which was bought for £68,200 by the Glasgow dealer Ewan Mundy. A new record price for work by Joseph Crawhall, of the Glasgow Boys group, was set when the Fine Arts Society paid £57,200 for his watercolour "Tangier," which had been expected to fetch up to £15,000. A private buyer paid £46,200 for "Easter Eggs" by another Glasgow Boy, Edward Atkinson Hornel. The sale made a total of £833,415 with 9 per cent bought in.

A Ziegler carpet more than trebled its estimate when it went for £7,700 to a private buyer at Sotheby's sale of international carpets yesterday. The same price was paid by an unnamed London dealer for an early 17th century Ushak Medallion carpet. The sale made a total of £238,001, with 23.6 per cent left unsold.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000
Thursday February 11 1988

No excuse for failure

THE TWO months' extra time which European heads of government awarded themselves at Copenhagen have now expired. Today they assemble again in Brussels.

It is not true that any solution is better than none. Mrs Thatcher is quite right to have made it clear that if she does not get an effective ceiling placed on agricultural expenditure she will let the Community sweat on without a budget until the next summit in June. But it will still be very discouraging if that has to happen.

Chancellor Kohl, who wants to use the German presidency to give a new impetus to the realisation of the full internal market by 1992, has as strong a motive as anyone to settle the crisis now. He and his French allies must be prepared to make the necessary concessions on agriculture.

But agriculture is only one element in the package, and others have to be conciliatory on other issues. The southern members must accept that their demand for a doubling of the structural funds (social and regional spending) is unrealistic. Italy must accept a switch to a gross national product-based system of assessment. In return for that Mrs Thatcher should be willing to see the British rebate gradually phased out, and to be more generous in her attitude to the structural funds. Her position on agriculture is undoubtedly right and British interests on that point coincide with those of quite a few other member states. The fact that all but the Netherlands are currently siding with the Germans is hardly a good advertisement for British diplomacy.

Hong Kong's future

THE BRITISH Government has shied away from the opportunity to introduce this year a system of direct elections to the government of Hong Kong, which returns to Chinese sovereignty in 1997. This regrettable decision is set out in the White Paper published yesterday by the colonial government.

The Chinese authorities have succeeded in their implacable opposition to the introduction of any direct elections to the Hong Kong Legislative Council (Legco) before the Basic Law covering Hong Kong's post-1997 status as a Special Administrative Region of China is promulgated in Peking in 1990; the next possible date for introducing direct elections to Legco after 1988 is 1991 when, according to the White Paper, 10 of the 56 members will be directly elected.

It has become clear in recent days that the Chinese have been disingenuous in urging the British to run Hong Kong in a way which is not discordant with Peking's thinking, so that there can be a convergence by 1997 to produce a transition of seamless continuity. The Chinese apparently intend to drop the Legislative Council altogether in 1997 and to appoint an "electoral council" to nominate legislative councillors and a chief executive to run Hong Kong from the first day of its return to China.

Although this suggests that it makes no difference whether or not one is done prior to 1997, the British Government still has an inescapable obligation to the Hong Kong people to try every possible way to ensure that their rights and freedoms continue beyond 1997. A greater degree of self-determination would be of enormous benefit to this end; the more widely and firmly it is embedded the more difficult it will be for the Chinese to remove it.

The White Paper's commitment to some direct elections in 1991 must not be diluted or postponed. Reports of the Chinese attitude are casting increasing gloom, making it all the more important that the authorities in Britain and in the colony are far more forceful and determined in protecting the interests of the people of Hong Kong.

A post-mortem on the market crash

AFTER A welter of reports from the various market authorities in the US on last year's stock market crash, the International Stock Exchange (ISE) has now come up with its own verdict on how the London market coped. Compared with the thick analytical tome produced by the US Securities and Exchange Commission, the document is brief. It is also devoid of big surprises: like the New York Stock Exchange, it concludes that its own trading systems did remarkably well in the circumstances. And by taking Wednesday, October 14 as its starting point for the week of the crash instead of Black Monday, the 19th, the report even manages to show the FTSE 100 index falling less than the Dow Jones Industrial Average over the crucial period.

The difference in policy response, on the other hand, is of transatlantic dimensions. In Britain the Department of Trade and Industry has already decided, without any wider political debate, that there is no need for many of the remedies now under discussion on Capitol Hill – most notably circuit-breakers, whereby share trading can be halted in response to excessive price volatility. The question is whether the Government's analysis and response are adequate in the light of October's events.

On the first score there is nothing to go on, although the Bank of England's Quarterly Bulletin will provide its overview today. But the Stock Exchange's facts and figures suggest that there is no room for complacency about the risk of a repeat performance. The report shows that London's market makers absorbed £250m of net sales by investors on Black Monday. On subsequent days and weeks, they appear to have left it to private investors to take the pressure arising from institutional selling. The exchange's information on the value of transactions suggests that in due course those private investors returned hurt and that the market has increasingly become the preserve of professional investors – a rather unhappy postscript on the Government's efforts to promote individual share-ownership.

Today transactions are running at 40 to 50 per cent below their pre-crash levels. With prices conspicuously more volatile, the gap between buying and selling prices in equities is wider and liquidity is not much in evidence in the lower reaches of the market. As for the widespread complaint that investors have been unable to get through to market makers on the telephone, the exchange is dismissive on the ground that, like any other industry, the securities business is staffed and equipped for a normal level of business. The increase in trading volume in October was bound to lead to strain, but in practice screen quotations fairly represented the underlying market.

This may not convince those who were unable to deal at the time. But it should, in fairness, be acknowledged that any decline in the quality of the market is only natural in a bear market. It may well be that the old London jobbing system would have failed under the strain of these quite extraordinary pressures. And there is some evidence that London gained trading volume at the expense of less liquid exchanges in continental Europe and, indeed, Tokyo, where circuit breakers operate.

The ISE's report carries a strong hint that the exchange would like to capitalise on its performance in October to attract further foreign business. And a consequence of any move to re-regulation in the US could be that more US securities business would be diverted to London. Yet it is vital that London should not end up playing host of last resort to a global securities meltdown. Nor should Britain allow itself to be perceived as undermining efforts at international co-operation on capital adequacy and other issues. An excess of opportunism in the London market after the crash would scarcely serve the wider British interest.

Nick Garnett looks at the reasons for the restructuring in the global construction machinery industry

Why it's buy out or fall out

CONSTRUCTION MACHINERY INDUSTRY RECENT CO-OPERATION DEALS

Komatsu (Japan) / Dresser (US)	Joint manufacturing plants and marketing in North & South America
Mitsubishi (Japan) / Caterpillar (US)	Joint manufacturing & design of hydraulic excavators
Hitachi (Japan) / Fiat (Italy)	Joint manufacturing & distribution of hydraulic excavators in Europe
Hitachi (Japan) / John Deere (US)	Manufacturing & distribution of hydraulic excavators
Sumitomo (Japan) / FMC's Link Belt company (US)	Supply arrangement for hydraulic excavators
Kawasaki (Japan) / Aveling Barford (UK)	Wheel loaders & dump trucks
Clark Equipment (US) / Volvo (Sweden)	Merger of wheel loaders, dump trucks & crawler dozers business
Poclain (France) taken over by J I Case (US)	Hydraulic excavators

A WAVE of manufacturing, distribution and marketing alliances is dramatically reshaping the $20bn construction machinery industry. Last week's announcement that Dresser Industries, the third largest US earthmoving equipment maker, is merging most of its operations in the Americas with Komatsu, the world's second-largest supplier, was just the latest sign.

In the past few years restructuring has involved many of the largest US and Japanese companies and some of the smaller niche producers in Europe. It has affected products ranging from small road rollers to mammoth 200 tonne dump trucks. For the companies involved, these deals are designed to bolster their chances of growing – or even just surviving – in a market with 50 per cent manufacturing overcapacity and very poor sales margins.

Against this background, the arrangement between Komatsu and Dresser has a special significance. It appears, to many observers, to be the first indication that Dresser may eventually withdraw from the industry – though the company denies this. More important, the deal raises two questions about the future structure of machinery making.

- Are middle-sized producers like Dresser being squeezed between – on the one hand – the two dominant full-line global producers, Caterpillar of the US and Komatsu; and on the other, a host of small but durable specialist makers?
- If they are caught in such a squeeze, how will they survive?

"The industry has got to polarise in the hands of fewer manufacturers," says Mr David Phillips of the Corporate Intelligence Group, a London based consultancy. "There is room for the large multinational and the small specialist producer. I am not sure there will be room for many in between."

Many of the agreements so far have shown how Japanese and Western producers are prepared to forge partnerships that offset their strengths and weaknesses. The Japanese companies have been hit by the strength of the yen and by anti-dumping duties in the EC. So they have been anxious to acquire manufacturing plant outside Asia and to tap into the much better distribution networks of western companies. Western producers, once scornful of Japanese products, are now fighting to get their hands on Japanese equipment.

The Komatsu-Dresser deal – which has still to be finalised – involves the formation of a joint venture company to combine manufacturing plants and marketing in North and South America. Komatsu will get more production capacity and marketing muscle while Dresser will benefit from Komatsu's up-to-date products.

While Komatsu has been trying to bolster its position in the US, its great rival, Caterpillar, the world's biggest construction equipment firm, has negotiated a big extension of a long-standing manufacturing and design agreement with Mitsubishi. Other similar agreements are shown in the chart. And the rush to deal is not confined to the big companies. A number of medium-sized or small companies have bought relatively tiny machinery makers. Much of this has been in West Germany where, for example, Faun, the dump truck maker, has been absorbed by Orenstein and Koppel.

All these realignments have been made necessary by a marked change in both the level and the pattern of demand. In 1980-81, consumption of construction equipment fell by 15 to 20 per cent in unit sales and by 30 per cent in value. Since then it has picked up slowly and unsteadily, and the market is growing at only 2 per cent a year. Sales are now about 230,000 earthmoving machines a year, and a further 190,000 or so compacting machines.

There has also been a dramatic shift in the type of equipment contractors want. As the big dam and Middle East construction projects dried up at the end of the 1970s, construction work became predominantly repair, maintenance and housebuilding. Demand switched from big machines to smaller, more versatile machinery.

This has hit sales of big, rigid-frame dump trucks, bulldozers, motor scrapers and graders. The winners have been wheel loaders, backhoe loaders (a tractor-like vehicle with a bucket at the front and digger at the back) and excavators. In particular, excavators are in demand. Sales jumped from 33,000 in 1981 to 85,000 last year, according to Plantecon, a London consultancy. They now account for about a third of total machinery sales.

Here the Japanese companies have a tremendous advantage. They benefit from a domestic market which absorbs 40 per cent of worldwide excavator production. So excavators are the focal point of all the big joint deals with the Japanese. For example, under Mitsubishi's agreement with Caterpillar, Cat will build Mitsubishi-designed excavators.

Despite the industry's thrashings-around, construction machinery-makers have displayed a leech-like ability to hang on. Even when big parent groups have given up, their offspring live on under new owners. International Harvester got out at the beginning of the 1980s, but most of its businesses were bought up. After IBH of West Germany collapsed in 1984, almost all its separate companies, such as Zettelmeyer, Hanomag and the British excavator-maker, Hymac, survived as second tier competitors.

The pressures on the weaker firms are starting to mount, however. They face an increasing threat from the industry's two dominant full-line global producers, Caterpillar and Komatsu, which together control more than half the world market. All the indications are that this share will rise – perhaps, according to a report last year by First Boston, to 75 per cent in the long term.

Those that thought Caterpillar would disintegrate in the mid-1980s have been proved wrong. The company went into the red in 1982 for the first time in 50 years, accumulating $950m of losses in three years. But Cat closed nine plants, cut its workforce by 35,000 and embarked on a $1bn re-equipment programme. Last year it made $350m profit on sales of $8.2bn. Much of the improvement comes from the drop in the dollar. But Cat has also been expanding its already full line of equipment. It has bought, for example, part of CMI, the American specialist in road-making equipment. It has entered the backhoe market with its own product.

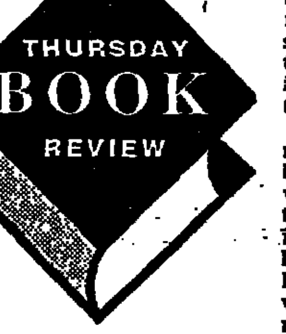
Komatsu, with about half Cat's revenues, has suffered from the strengthening yen, and it has had to give up market share in the US – a problem the Dresser deal is intended to address. But Komatsu is digging deeper into the business. It has recently opened a plant in the UK, and signed up the British-based Brown Group to make articulated dump trucks to sell under the Komatsu name. It has also followed Cat into road-making machinery.

Despite such pressure from the top, no one doubts that many niche producers will survive. Some will go to the wall, but the better ones, such as JC Bamford in the UK, the world's second-largest backhoe maker, will continue to thrive.

Caught between expanding giants and unyielding niche producers, how much room will be left for middle-sized manufacturers? Some of these, like Fiat of Italy, have a broad range of equipment but are much weaker than Komatsu and Caterpillar, and have patchy geographic reach. Others have a much narrower product range. (Examples include JI Case and Deere in the US, and VME, the Volvo-Clark company, which has no excavator line.)

Under these pressures, one or two companies may be forced out. Fiat is rumoured to be disenchanted with its machinery business, apart from the joint venture with Hitachi. The alternative to dropping out is to set up more joint ventures, perhaps amongst the mid-size firms themselves. A fulcrum for this process might be Hitachi, a dominant excavator maker which does not have much else to offer. The Japanese company has given notice that it wants to be a much fuller-line producer.

Potential suitors do not have much time to act. While all this has been going on, the Koreans, led by Daewoo in excavators, are also emerging as producers in their own right. Although the industry has now put the worst of the depression behind it, the pressure on the weaker companies has not eased.



Chinese Lives, an oral history of contemporary China

By Zhang Xinxin and Sang Ye
Macmillan: £14.95

"SURE, I'LL talk to you, but let's get one thing straight right from the start: I never read papers or magazines. I'm so wiped out by the end of the day that all I'm good for is falling asleep in front of the TV."

That unremarkable comment could have been made by a 22-year-old manual steel worker almost anywhere in the world. What makes it interesting is that it was said by a young man at Xidan market in Peking, capital of the world's most populous and mysterious of countries.

A quarter of the earth's population lives in China and the rest of us know next to nothing about them. In recent years the country has been opening up rapidly through business and tourism. Yet still we know and understand so little, hampered principally by culture and language. What do those millions – bussing and cycling to and fro – do, think, say, eat and feel about their daily lives?

This book is an enchanting revelation, a chance to listen at more than 60 keyholes. Two young Chinese writers travelled around their country, talking mainly to ordinary people, to produce these short but brilliantly telling vignettes.

Some of the experiences coincide remarkably with life anywhere. Others do not. The young steel worker's romantic troubles, for example, are decidedly oriental: "My job's nothing great. Even with bonuses and extras the best is a little over 70 yuan (£10.6) a month and I'm no looker ... I don't have anything going for me ... If I had 3,000 yuan I could buy a colour TV, a sofa and a fridge and they'd all be after me. But what am I supposed to do, steal the money?"

Two great disasters overshadow the lives of the interviewees: the Great Leap Forward in 1958, with its catastrophic policies of rapid industrialisation at the expense of agriculture, which resulted in millions of deaths from famine in the countryside; and the Cultural Revolution, which caused violent chaos from 1966 until Mao's death in 1976, often setting relatives against each other.

A peasant adapted an innocent old couplet and put it by his door in 1969 in praise of Chairman Mao Zedong and Lin Biao, then Mao's designated successor. That landed him in prison for seven years. To start with he was charged with slandering Mao and Lin Biao. Then, after Lin died in 1971 and was discredited, he was in trouble for having honoured him.

He was only let out after the fall of the Gang of Four in 1976. By then he had lost his family: his wife had remarried and his son had died. He was told to look to the future. Nobody uttered a word of apology.

Never knowing when right will be turned into wrong and vice versa remains a pervasive fear in Chinese life to this day – most of the people interviewed asked to remain anonymous.

Yet the extraordinary network of officialdom which controls everything, including job allocation, is not always as impenetrable as one might think. What are the chances, for example, of a British journalist succeeding in a request to interview the equivalent of Gai Lujun, who strangled his 14-year-old sister after a prolonged incestuous relationship? "I haven't committed any big mistakes in prison and I don't reckon the discipline here is too strict. I've come here to reform myself."

His success at self-reform has led to his suspended death sentence being reduced first to indefinite imprisonment and then to 15 years. When Gai, a vegetarian, got the wrong food one day, "production director Mi got an egg and cooked it for me himself."

Each of these riveting snapshots gives an insight into an individual life – one which, in the cities at least, is being lived in impossibly overcrowded conditions. A couple chose to go on a once-in-a-lifetime trip to Peking for their honeymoon. But they fail to find a hotel room after a five-hour queue at Peking railway station's reservation counter. They begin again at dawn and get to stay in a suburban bathhouse after the bathing is over. "She had to stay in the women's baths and I was in the men's baths," says the groom.

This is oral history of the highest order, crisp, concise, a pure pleasure to read. It is full of the insights into real life which most of us would never stumble across no matter how widely we travelled or how diligently we pursued official interviews.

Robin Pauley

OBSERVER

Pepper and Budd

■A day of academic change in the City. Professor Alan Budd of the London Business School is going to be economic adviser to Barclays and Gordon Pepper of Midland Montagu has been appointed honorary visiting professor in the department of business studies at the City University.

Budd, who moves to Barclays in August, is also director of the LBS's Centre for Economic Forecasting which he hopes will go on much as usual after his departure. A successor is now being sought.

At the banking group Budd will take over from Professor Harold Rose, himself very much an LBS man who will now be free to do more teaching. The reason for the move, says Budd, is that he always wanted to get slightly closer to the front line and indeed he has long seemed too ambitious to remain a lifetime academic. He is, however, an economist whose writings most people can understand.

Pepper is in an entirely different category. If he achieves what he wants to at the City University, we shall have a new and comprehensive theory of market behaviour. The financial details of the arrangement have not yet been worked out. Pepper was on the ski slopes in Switzerland yesterday and talked more about the academic side than the practical.

He will continue to be a director and senior adviser of Midland Montagu, which will put up some as yet unspecified sum to help his research. The condition, if that is not too strong a word, is that it must be of some relevance to Midland Montagu's activities and indeed to the whole of the Midland Group.

Pepper says that he has learned a great deal in the City over the years and wants to get some of it down on paper to help bridge the gap between the academic and practical worlds. He does not want to get trapped into formal lectures before getting on with his research. He will be drawing some parallels with the 1930s, but essentially he will be seeking to understand the behaviour of the financial markets over the last two decades which, he says, has not been in accordance with established theory. The initial professorship is for three years; the work, he admits, might take much longer.

Pepper is best known as the first City monetarist whose publications used to baffle the Treasury in the 1970s. Sir Douglas Wass, the Permanent Secretary, was once found secretly reading them, but to no great avail.

The great man of the gilts markets, Pepper was less successful as an administrator at Greenwell Montagu and welcomes the chance to get back to writing – especially about numbers.

"Once the cameras are here they'll all be trying to get back – Kilroy-Silk, Matthew Parris, Clement Freud..."

Boro next time

■The FA Cup upset which saw Middlesbrough go down 2-1 to Everton only proves what a funny game football is. Everton, whose odds against lifting the trophy have been shortened by Ladbroke to 6-1, can obviously go all the way now, although Newcastle still at 12-1, are a tempting wager £1 on Bradford City at 66-1 is not out of the question, despite a recent loss of form.

Ladbroke gave a hint to the rising status of Boro yesterday, however, in refusing to give odds on them gaining promotion to the first division. Boro are 6-1 against winning the second division championship, second favourites to Aston Villa, quoted at 2-1 on.

European man

■There is something faintly ironic about the fact that the Adolphe Bentinck prize for the promotion of European unity was yesterday awarded to Sir Michael Butler, Britain's Permanent Representative to the European Community during the fateful six years from 1979-85. For Butler, who received the prize for his recent book, Europe: More than a Continent, was intimately involved in the bitter battles waged by Margaret Thatcher for a reduction of the British contribution to the EC budget to a fair level.

The international jury of prominent "Europeans" who made the award did not hold that against him and recognised him as a true supporter of European unity. Indeed, the winner of the $15,000 prize, underlined his credentials when he called at the Foreign Office ceremony arranged in his honour for future Adolphe Bentinck prizes to be denominated in Ecus, the European currency unit of account: "not least because of the fall in the value of the dollar."

Butler, who has extended his European career by setting up a European mergers and acquisitions department for Hambros, follows in the footsteps of a distinguished list of Adolphe Bentinck prizewinners, including Jean Monnet, one of the "fathers" of Europe, Helmut Schmidt, the former West German Chancellor, and the now Lord Jenkins of Hillhead.

He is also a contemporary of Sir Geoffrey Howe, having sat for a Winchester scholarship at the same time as the Foreign Secretary in the summer of 1940. "We came 12th and 13th," Sir Michael revealed with some glee yesterday. "But I can't remember in what order."

Church times

■The Church of Ireland, once a symbol of the old Anglican Ascendancy, is faced with a dearth not only of parishioners but also clergy. So dire is the situation it has been forced to headhunt overseas, mainly in Canada and the US.

A choice location has already been snapped up: next month the Rev Robert Hayman from San Francisco will move in as rector of St Columba's in Drumcliffe, Co Sligo, where W B Yeats is buried and which he immortalised in his valedictory poem "Under Ben Bulben". "The post was advertised in the Church of Ireland Gazette a year ago and there was not a single reply from here," said a Bishop.

Plenty of other equally remote parishes await recruits from over the water. The Church of Ireland went into decline following the formation of the Irish Free State in 1921. Prior to that there were nearly 100,000 church members in Dublin alone. Now there are barely 2,000 and churches – some of the best architectural monuments in the country – attract congregations which often do not reach double figures.

Too late

■Graffito seen on a wall at the London Toy Museum: Oedipus, please ring your Mother.

ECONOMIC VIEWPOINT

Why business cold-shoulders exchange rates

By Samuel Brittan

THERE IS a group of American economists in the other Cambridge (the one outside Boston where both Harvard and the Massachusetts Institute of Technology are situated), which has over the last couple of years championed the cause of the falling dollar. Wherever the dollar has fallen to, it has always needed to go still further, according to the new Cambridge school.

The best known member of this school is Professor Martin Feldstein, formerly chairman of the Reagan Council of Economic Advisers. It is said that between them these Cambridge economists have a foot in the camp of all likely contenders for the White House – Republican and Democrat. (One of them, however, denied to me that he or his friends had any influence with Pat Robertson, the Republican evangelist.)

When one of the new Cambridge school, Professor Paul Krugman of MIT, announces his conversion to some form of relatively fixed exchange rate system, there is reason to sit up and take notice. He now says he is much more sympathetic to the view of "the whole world as an optimum currency area" than he was two or three years ago.

I hasten to add that his conversion is in the spirit of St Augustine: "Please, God, make me chaste and continent, but not yet." In other words, he only wants to establish a new Bretton Woods after the US has its twin deficits under control.

Meanwhile, Krugman's forthright statement of the current equilibrium value for the dollar is admirable. "I don't know. Secretary Baker doesn't know either. Neither does Chancellor Lawson. And least of all does Ronald McKinnon (Stanford's global monetarist)."

Krugman's conversion to eventual exchange rate stability was announced, appropriately enough, at the end of his Robbins Memorial Lectures at the London School of Economics at the end of January. The main purpose of his discourses was, however, to explain the "imperfect integration" of the world economy.

In the first lecture, he attacked the global monetarists by disputing the view that exchange rate changes are cancelled out by some combination of inflation in the depreciating country and deflation in the appreciating one.

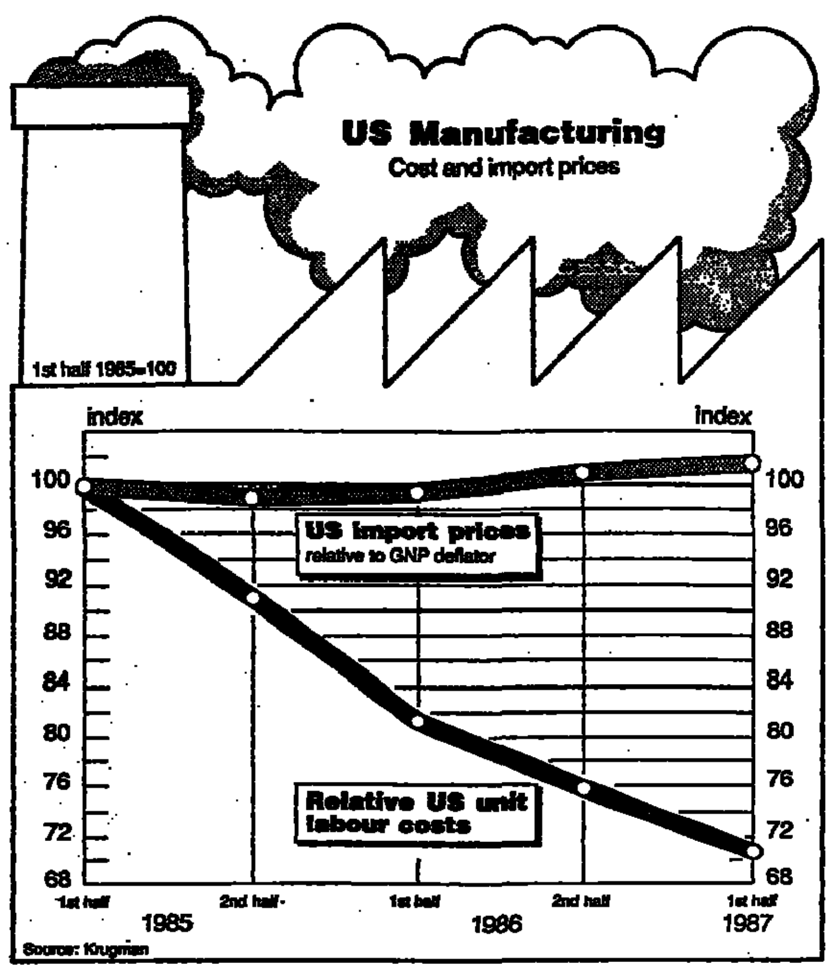
He has produced a chart (See Viewpoint December 17) showing US labour costs, relative to competitors, moving up and down almost exactly in line with the dollar. He would find more feedback from exchange rates into labour costs from European data, although currency changes can still affect real exchange rates in the short run. An example he could have chosen was that of sterling's quiet depreciation in 1986 under the cover of a falling oil price. This gave Britain a competitive advantage which is only now in danger of being offset by faster British inflation.

Krugman combines these – not very sensational – findings with the evidence that countries still spend additional income largely on their own products. The conclusion he reaches is that it is inefficient for deficit countries just to cut their expenditure and surplus countries to increase theirs. If that is all, there will simply be deficient demand in the US and excess demand in the surplus countries. Some exchange rate incentive is also helpful to ensure that expenditure is switched towards US products and away from non-US ones.

Having devoted his first lecture to explaining why exchange rate changes are part of the remedy for international imbalances, he spent the second explaining how small were the effects of huge exchange rate swings.

For example, in 1980 West German manufacturing wages were 25 per cent higher, when converted into dollars, than American wages. In 1985 – the peak of the dollar's appreciation – they were 25 per cent lower. Today they are again 25 per cent higher.

An economist who only knew these facts would have expected the initial explosive rise in US relative costs to have devastated US manufacturing and the subsequent massive fall to have devastated European and Japanese industry. But the results have not been on anything like this scale. The feedback into domestic inflation rate has also been muted.



Extravagant exchange rate swings of 50 or 60 per cent, such as the dollar has been through, are only possible, as Krugman says, because they have so little effect. The UK devaluation of 1967, which Harold Wilson spent so much political capital in trying to avert, was only 14 per cent.

His explanation of the modest impact of much larger swings is the most interesting thing to come out of his lectures. He argues that companies "price to market" and hesitate to change their overseas prices in line with currency changes.

The chart shows that US import prices, far from rising as the dollar depreciated, remained steady or even fell slightly in the two years following the first half of 1985. The basic reason for such phenomena, according to Krugman, is a combination of sunk costs and exchange rate volatility.

Sunk costs are straightforward. A company has to invest substantial resources to enter a market. It will be willing to do so only if it expects to cover these costs. But once in a market, it will stay, provided that variable costs alone can be covered.

The effects of sunk costs are magnified by exchange rate expectations. A US firm, Caterpillar Tractor, hung on to its market share during the early and middle 1980s, correctly believing that the dollar would eventually fall back enough to make it competitive again.

This is in sharp contrast to the situation under Bretton Woods, when an exchange rate change was expected to stick. It is also different under the European Monetary System. French companies may expect a gradual depreciation of the franc against the D-Mark in the course of successive realignments. But they will not expect the franc either to bounce back or to depreciate by anything like the amounts that the dollar and sterling have moved in recent years.

Exchange rate volatility induces business caution not only when businessmen believe that the exchange rate will bounce back, but even when they think that movements in either direction are equally likely.

Consider a US company contemplating taking on a Japanese competitor in international markets. The project is just profitable at Y130 to the dollar, highly profitable at Y110 and loss-making at Y150.

On plausible assumptions, the company will still adopt a wait-and-see attitude rather than plunging in straightaway. It owns an option to enter in the future, Krugman remarks. The owner of an option does not exercise it as soon as it is profitable to do so, but waits for a better opportunity. Similarly, a potential entrant to an international market gains by not entering and waiting to see if the exchange rate becomes still more favourable.

Krugman has a table showing the ratio of the exchange rate at which a competitor will enter a market to that at which he will leave it. If sunk costs are 50 per cent of annual variable costs and exchange rate volatility is as high as it has been since 1973, then the entry exchange rate has to be twice as favourable as the exit one.

In other words a Japanese company may only enter the US market at 200 or more yen to the dollar. But, once established, it will not leave until the dollar falls below 100 yen.

Krugman would argue that the dollar needs a period of undervaluation to bring about the necessary changes in the behaviour of US and foreign corporations.

My view is that excess devaluation is a dangerous game to play, especially when the world economy outside the US is so sluggish. It would be better to settle for a slower adjustment of the US trade deficit, while working on policies to persuade businesses that the period of huge currency fluctuations is over and that it is no longer necessary to "wait and see" for quite so long.

Anyone who thinks that my remarks about pseudo-scientific econometric estimates of where sterling should be are just gibes should study Krugman. He demonstrates that the models which worked so well in the first half of the 1980s fell apart in the second. The overriding reason is that the relationship between the determinants of trade and the outcome will shift when the policy environment shifts – a piece of horse sense known in the trade as the "Lucas critique".

Krugman could have easily ended up in the silly-clever position that, because of the sluggishness with which trade responds, the world needs more frequent and larger exchange rate changes. In which case he would not have made this column.

Instead he argues that fluctuating rates may do real harm by "degrading the quality of price signals". He suggests that once rates are both appropriate and fairly stable, trade could become much more sensitive to them.

The relevant exchange rate changes are real ones – after allowing for national inflation differentials. Once the immediate imbalances are over, long-term structural changes could be accommodated by small shifts in relative inflation rates. But I should probably want to make an earlier start than Krugman towards a more stable regime.

Lombard

Hidden costs of life assurance

By Clive Wolman

THE CITY'S continual complaints about the new "self-regulatory" investor protection system have diverted attention from a much more disturbing tale of self-regulation serving as a thin disguise for self-interest.

Buying life assurance is the only point at which most ordinary families in the UK will have any contact with the new regulatory regime. But no area of investor protection has been more effectively captured by industry interests than the selling of insurance.

18 months ago, the Securities and Investments Board (SIB), the linchpin of the new structure, approved a set of practices (drawn up by an insurance company-controlled committee) which contradicted all the principles it has applied elsewhere. High-pressure, door-to-door selling could continue; the commissions paid to supposedly impartial insurance brokers would not have to be disclosed; insurance companies would not have to say what proportion of a policyholder's premiums they were pocketing to cover their expenses.

The effect of these privileges has been to allow insurance companies to run extravagant sales operations. In particular, they offer the equivalent of a whole year's worth of premiums in commission to a salesman or broker who recommended a policy, while disguising its true costs from the customer. According to Mr Bob Carter, professor of insurance studies at Nottingham University, life companies typically swallow up, in such expenses, £200 of every £1,000 paid in premiums.

Sir Mark Weinberg, the insurance industry's leading entrepreneur and deputy chairman of the SIB, protested that he would love to let the public see how insurance companies were charging customers, but – alas – it was technically too difficult.

Eventually the SIB defused the outcry by appointing the insurance partner of Peat Marwick McLintock, the accounting firm, to investigate. This week, his interim report concluded that, after all, it would be possible to produce a reckoning which showed the effect of expenses.

So far, so good. But there is a catch. An increasing number of policies are being sold directly to the public by life companies' own salesmen. These salesmen will not have to say how much the annualised charges/expenses are likely to be. Peat Marwick says that potential customers will have to write to the selected company to find out – while admitting that very few are likely to do so.

Mr Gerry Acher of Peat Marwick says that disclosure of charges at the point of sale would make things too complicated for the customer who would be "misled into assuming that expense performance was the key criterion." Of greater importance, he says, are matters such as investment performance.

It is true that the investment returns of different insurance companies vary a great deal – largely as a result of different financial markets going up and down at different times. But almost all the evidence collected by actuaries and researchers on investment returns shows that past performance gives scarcely a clue as to future performance, mainly because so few investment managers demonstrate any consistent skill.

The Peat Marwick argument is like saying that you should not be allowed to compare prices, when deciding which package tour to take to which Spanish resort during which period in the summer, in case it diverts your attention from what really matters: the weather during your stay. Investment returns are even less predictable than the weather.

Letters to the Editor

A lesson from the Ford strike

From Mr D. Wallace Bell.

Sir, The Ford strike illustrates once more how inappropriate adversarial wage negotiations are in industries where new technology and new working practices can lead to greatly increased productivity. Not unnaturally, the workforce wants to share in the benefits of that productivity, but management cannot concede substantial and permanent wage increases that will have to be paid from future profits which may or may not materialise.

A better approach, leading to cooperation rather than conflict, is to have some form of profit sharing that guarantees minimum wages, perhaps linked to the cost of living index; with the prospect of a substantial additional bonus, preferably linked to value added or return on investment.

This has been shown to be successful in some hundreds of UK companies in which employees are willing to cooperate fully with management in improving performance, knowing that they will get their fair share of the rewards. Their bonuses may be much larger than any negotiated wage increase they could have hoped to attain, and management is protected because the bonus will be earned only if the productivity that justifies it is attained.

D. Wallace Bell,
6 Limes Avenue,
Horley, Surrey

'Perverse' effect is not immoral

From Mr Stephen Duckworth.

Sir, What a strange world Lord Harris of High Cross inhabits ("Beyond the Welfare State," February 1). His economic analysis might have had some relevance in 1979, but he has not noticed the redistribution of government spending since then. Has he not seen what has happened to housing? Has the endless squeeze on education and health spending – at the cost of demoralising of the providers, and poorer services to the consumer – never happened? What are the "comfortable practices" that nurses are preserving?

His political analysis suggests increasing political corruption. How far has this Government listened to its own consultations on "welfare" issues? But the prevailing lobbies have increasingly come from the right and, ironically, more centralist government has been the result.

His "normal indictment" that individuals are treated as objects of paternalism and condescending pity may be more reasonable. But his supporting economic argument, that welfare spending provides undue incentive to qualify for benefit, applies a deterministic approach which is quite inadequate as a general guide to human behaviour. Moreover, even if some state welfare has a "perverse" effect (for Lord Harris, most state welfare does so), this does not make the policies of the welfare state immoral.

My observation is that these policies have sometimes prolonged dependency and led to poverty traps. But the same policies have offered opportunities – in health, education, housing and the social services – for great numbers of individuals to come through and achieve their best potential; a highly moral objective – and result. Lord Harris's subsidies in cash or kind for "deserving victims of adversity," and short term relief and counselling for the rest, is paternalistic in the extreme; and a less-than-moral throw-back in an age when we can well afford not to destroy our own achievements.

Stephen Duckworth,
17 Perryn Road, W3

Scargill success is not impressive

From Lord Shawcross.

Sir, It is understandable that in the dark days which face the National Union of Mineworkers, Mr Heathfield should whistle (Letters, February 8) to keep his courage up. Yet the figures he gives make Mr Arthur Scargill's success in the Presidential election even less impressive than Mr Cecil Parkinson seems to have thought.

Out of a total electorate of "over 95,000" Mr Scargill secured support from (in round numbers) only 40 per cent, while Mr Walsh, an almost unknown candidate, with all the resources of the Yorkshire area of the union ranged against him, gained the backing of 37 per cent.

If the question is, however, whether Mr Scargill can be said to represent the workers in the industry, then the several thousand members of the breakaway miners' union in Nottinghamshire should be added to the total against him. The result may be, as Mr Scargill asserted, "stunning;" but what it should stun is any idea that the election gave Mr Scargill any sort of mandate to lead his union into "an attack on British Coal and the Tory Government" as he pretends.

Hartley Shawcross,
House of Lords,
Westminster, SW1

Invisible earnings surplus will slump

From Mr D. Greenwood.

Sir, It is necessary for those in the securities industry to stand up and be counted, and to tell the Government that its present regulatory proposals are unworkable – and inordinately expensive. It has been estimated that the current income (total commission) is approximately £800m per annum, and that the *additional* costs of the new regulatory system are £200m per annum; this at a time when turnover and income have slumped, following the October 1987 decline.

This is unacceptable. Moreover, the regulations being put into place are, in the main, those which over long years have been applied by responsible investment advisers without the need to codify and case-structure a body of legislation.

It is impossible to estimate the damage that the present ill-conceived and illogical regulations will bring about. But it is easy to see the consequence: a slump in the much-vaunted surplus in invisible earnings.

No one defends manipulation by the irresponsible of the undefended, as seems, perhaps, to have occurred in some recent takeovers. Equally, no-one should ever assume that sledge hammers are efficient nutcrackers; history proves otherwise.

Time is a scarce commodity. The investment industry should pull itself together and broadcast to its customers that there will be imposed on them, by the Government, an unnecessary fabrication of expenses which cannot be defended. To paraphrase Churchill: protect yourselves, before it is too late.

D. Greenwood,
Seymour Pierce Butterfield,
10 Old Jewry, EC2

If intended for publication, letters to the Editor should include, where possible, a daytime telephone number.

Without staff co-operation, plans for the CEGB are not feasible

From Mr John Lyons.

Sir, In his report last Saturday (February 6) about privatising the electricity industry Max Wilkinson wrote that in dealing with Lord Marshall Mr Parkinson had "to trade the scientist's visionary view of a nuclear-powered future against his much weaker loyalty to the Central Electricity Generating Board's corporate integrity."

If that has been Mr Parkinson's judgement I am inclined to think – from many conversations with Lord Marshall these last five years – that it would have been correct five years ago but is not correct today.

Mr Wilkinson also says that the CEGB has no trump cards. I would not know about that, but there are a couple of factors at least relevant to the present situation.

First – according to last Thursday's FT report (February 4) – Government plans include not only creating a regulatory body, but also giving it the power to determine how many power stations will be needed and, inevitably therefore, who will build them. We foresaw exactly that situation in our paper to Mr Parkinson last September: once you open generation up to so-called competitive forces, it is the only way to assure the community that enough generating capacity will be built to meet anticipated future demand.

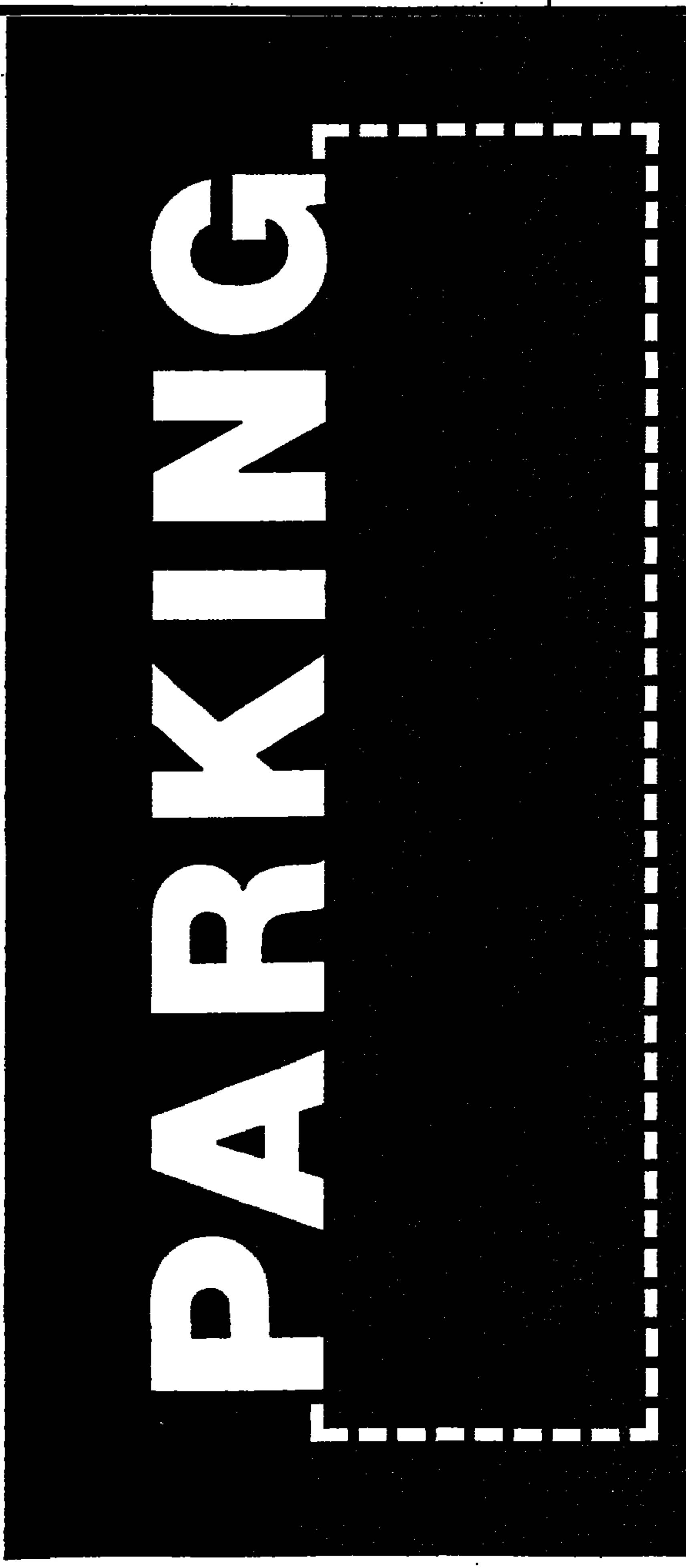
It is not a market solution. It is a bureaucratic solution. Mr Parkinson has recognised that a market solution to electricity generation is not available. But is it not also, surely, an absurd solution?

What we are going to end up with, it would seem, is a large bureaucratic regulatory machine which will be trying to manage the affairs of the industry without being responsible for them, and for all practical purposes it will be unaccountable to anyone. No-one, not even Mr Henney, Mr Robinson and Mr Sykes, has argued a case for this solution.

Given the public stance taken by the CEGB against the plans disclosed last week, it is not possible for the Board to try to sell them – or anything similar to them – to its staff. The Board would be ridiculed. That means that if Mr Parkinson wants to break up the CEGB and remove the National Grid from its control, the present Board will either have to resign or be sacked.

Neither course would solve anything. This is because it is difficult to envisage a politically imposed replacement Board, charged with breaking up the CEGB, getting the necessary co-operation from the staff. (I may be wrong, of course, but I do not think so.) The point is that without staff co-operation the plans outlined in the Financial Times last week are not feasible.

John Lyons,
Electrical Power Engineers' Association,
Station House,
Fox Lane North,
Chertsey, Surrey.



FINANCIAL TIMES

Thursday February 11 1988

Ford pay offer part of 'production reform plan'

BY CHARLES LEADBEATER IN LONDON

FORD'S radical three-year pay and conditions offer, which has led to a strike by 32,500 manual workers in Britain, is intended to mark a complete break with the company's traditional production methods, according to a confidential company plan.

"The Emerging Vision of Manufacturing Organisation in Britain," drawn up last year, says that changes to working practices on the European continent and piecemeal change in British plants were threatening to overtake the company's planning. While there could not be a single blueprint for all factories, there was a need to outline more clearly the shape of the emerging production system the company was aiming at.

The plan was drawn up by UK industrial relations managers after studies of successful practice in Continental plants. Union officials say it was approved by Mr Bill Hayden, director of manufacturing for Ford of Europe, at a meeting of senior executives in Valencia, Spain, in July last year.

The company's offer is thus not merely an attack on working practices it believes to be outmoded, but an attempt to lay open the way for a transformation of the organisation of Ford factories which could take several years to achieve.

The reformed system would be completely different from the classic Ford production line, on which efficiency was ensured by production workers carrying out distinct, repetitive tasks. The line was maintained by a separate group of skilled workers, who were not involved in production work, and work rules were enforced by foremen, who formed the base for a pyramid of management.

In contrast, the "Vision Document" says the company wants to introduce an integrated production system, the key to which would be, in effect, ending the classic distinctions between production and maintenance workers, and between blue and white-collar workers.

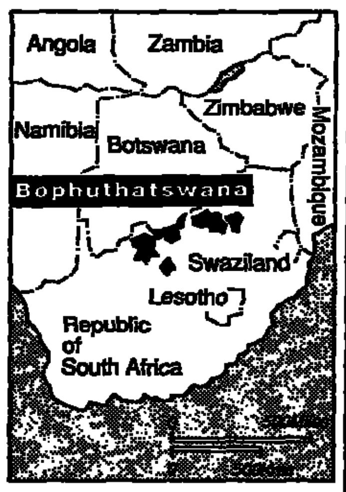
Production line workers would work in teams, within which there would be considerable flexibility over tasks. In capital-intensive areas, skilled workers would be members of the team to maintain a set of machines. They would thus take some responsibility for production.

The teams would be led by group leaders, modelled on the "work-coaches" at the company's plant at Genk in Belgium. These blue-collar workers would carry out many of the routine tasks previously done by white-collar supervisors.

Supervisors with responsibility for maintenance and production would be replaced by "area-foremen," who would combine both roles. The new position would be modelled on supervisors in the company's Valencia engine plant, where autonomous work-teams have responsibility for decision-making delegated to them.

South African forces thwart Bophuthatswana coup attempt

BY ANTHONY ROBINSON IN CAPE TOWN AND JIM JONES IN JOHANNESBURG



SOUTH AFRICAN forces yesterday put an end to the coup which briefly toppled President Lucas Mangope of the platinum-rich Bophuthatswana homeland.

President Mangope was detained in the early hours of yesterday morning by a group of military officers who alleged he had misappropriated state funds. They briefly replaced him as head of state with Mr Rocky Malebane-Metsing, the parliamentary opposition leader.

In a short statement before flying to Bophuthatswana yesterday evening Mr Pik Botha, Foreign Minister, said in Cape Town: "South African forces have ensured President Mangope's security. As far as the South African Government is concerned President Mangope remains the head of that state and will remain the head of that state."

President P.W. Botha told parliament yesterday that the decision to intervene was taken at a meeting of the National Security Council after a request for aid from the Bophuthatswanan Foreign Minister who had evaded arrest and found refuge with other cabinet members in the South African embassy.

Earlier, the military coup leaders announced that President Mangope and most of his cabinet had been arrested after an early morning raid on their homes during which two women were reportedly shot dead.

The coup leaders alleged that the elections had been rigged and accused the Mangope Government of widespread corruption and of giving contracts and diplomatic status to an Israeli citizen now suspected to have been a senior KGB agent.

President Botha said South Africa was "opposed to the seizing of power by violent means and decided to respond to the appeal for help" from members of the deposed government. Mr Botha drew a distinction between the situation in the Transkei homeland, where South Africa did not intervene last year when the military twice overthrew civilian governments, and the latest coup. In the case of the Transkei, Mr Botha said "the legally elected head of state had not been deposed, there had been no violence and no appeal for assistance from the ousted government."

Bophuthatswana, which became "independent" in 1977 is the wealthiest of the 10 homelands created under Pretoria's grand apartheid strategy thanks to platinum and gambling revenues. Like other homelands it has attracted its share of wheeler-dealers of whom the most flamboyant was Mr Shabtai Kalmanovitz, the former Soviet Jew and suspected high-level KGB agent.

Rich veins of wealth, Page 3

There's a Muscovite in the kitchen

By Robert Thomson in Peking

DURING THE 1950s, the glory days of comradeship between China and the Soviet Union, the Moscow restaurant was the place to be seen in Peking. Chinese marshals toasted Soviet diplomats with vodka, and over borsch they talked of the inevitability of world revolution.

However, a few years later, when Nikita Khrushchev and Mao Tse Tung took communism to mean very different things, and stroganoff was a dirty word in China, the Soviet Union pulled out its engineers from Chinese factories, its teachers from Chinese ballet schools and its chefs from the Moscow restaurant.

Now, with China embracing mercantile Marxism and the Soviet Union determined to make friends in Peking, the restaurant's managers talk of joint ventures, of vodka and caviar imports, and of the money to be made from having a genuine Muscovite in the kitchen.

"Relations have improved between our two countries in recent years," the Moscow-trained head chef Wang Zhaozhong explained. "With a joint venture we could import things like cigarettes and not have to pay tax. We would also like to import some techniques. The Soviet Ambassador has come here to examine the possibilities."

A proposal to renovate the restaurant was included in a letter of intent signed by the mayors of Peking and Moscow last September and, in the best traditions of Sino-Soviet bureaucracy, the Peking Government has established a committee to discuss co-operation and organise an exchange of chefs.

The restaurant, part of a Soviet-built theatre and exhibition complex in the western suburbs, is in the monumental revolutionary mode, with an emphasis on large slabs of stone in the Soviet-block style, a hint of the Stalinist wedding cake and a touch of art deco, topped by a five-pointed gold star.

Among the diners after the opening in 1954 were Marshal Lin Biao who, a decade later, died in a plane crash as he fled to the Soviet Union after an assassination attempt on Chairman Mao Tse Tung.

The present Chinese leader, Deng Xiaoping, also dined there in the early years, as did Mao, who was then encouraging the masses to learn Russian.

Russian food went out of fashion around 1960, as Mao urged all Chinese to "dig tunnels deep and store grain everywhere" in case of attack.

The anti-Soviet frenzy instensified with the launch of the cultural revolution in 1966, when the restaurant was closed and its leaders accused of "Soviet revisionism." A year or so later it reopened as the "exhibition centre restaurant" serving Chinese food.

The manager, Shu Jun, not content with a 20 per cent increase in profits last year, is attempting to diversify the cuisine, introducing French and German dishes, to cash in on the popularity of Western food among Peking's bright young things. However, he believes that the big money will come from properly exploiting the Soviet connection.

"We plan to revamp the whole building, including the furniture and cooking equipment, in Russian style," he said.

Asked whether he feared that another chill in Sino-Soviet relations would be bad for business, Mr Shu, reflecting the pragmatism of the present, asserted that "food and politics are two different things" and that people would not stop eating because of politics.

Lange wins battle against flat tax rate

BY TERRY HALL IN WELLINGTON

Lange: victorious

NEW ZEALAND Prime Minister David Lange has won an important victory in his acrimonious debate with Mr Roger Douglas, the Finance Minister, ruling out plans for the introduction of a single rate of income tax.

Yesterday both men presided over an abruptly called press conference to announce major changes to Mr Douglas's economic package, which was introduced in December and hastily withdrawn six weeks later, causing a political crisis during which Mr Lange and the Finance Minister have barely spoken to each other.

The surprise resolution of the conflict came only two hours before a full three-day party conference at which the left wing of the ruling Labour Party had threatened to use the impasse to change the government's policies, particularly Mr Douglas's free-market economic reforms.

Mr Douglas's plan for a flat rate tax of 23 per cent will now be replaced with a two-tier structure. From October 1 earnings up to NZ$30,875 ($20,500) a year will be taxed at 24 per cent, and all incomes above that at 34 per cent. The lower paid will get a 9 per cent tax rebate to a maximum of NZ$855. The present tax rates are 15, 30 and 48 per cent.

Mr Douglas has also been forced to give way on his proposal to raise the goods and services tax (GST) – New Zealand's broad-based value added tax – from 10 per cent to 12.5 per cent. It will be held at 10 per cent because of concern about the impact on the lower paid. GST is levied on all goods and services, including clothes and food.

Yesterday's announcement is being described as a face-saving compromise, although Mr Douglas, who had to cut short a European tour and fly home when Mr Lange unilaterally announced the changes were being withdrawn, is the clear loser.

However, he has not been totally defeated: his aim to reward the better-off stays in place, because while the new tax structure leaves the lower paid in much the same position, it cuts the top rate of tax from 48 per cent to 34 per cent. He has also succeeded in cutting company tax from 48 to 28 per cent – a move which will infuriate his party's left wing.

The Government has also agreed to proceed with other key elements of a very complex package, including changes to family assistance, housing benefit and family health care. Local government is to be drastically restructured and there will be further wide-ranging tariff and regulatory reform.

New tax gathering mechanisms remain in force, including controversial imposts on company earnings on overseas activities; changes to the superannuation scheme and taxation on individuals' overseas assets.

The Government has left the way open for the eventual introduction of a single tax rate, but further consideration of this will now have to await the outcome of a royal commission on social policy.

Financial markets responded positively to the announcement as Mr Douglas now appears set to remain as Finance Minister. Rumours that he might resign over the debacle had caused further anguish in a badly damaged share market and pushed interest rates up.

Immediately after yesterday's press conference interest rates eased, the New Zealand dollar rose and the stockmarket firmed sharply, building on an underlying mood of buoyancy after news of a major offshore oil find announced overnight.

Oil find, Page 22

Hong Kong reforms deferred until 1991

BY DAVID DODWELL IN HONG KONG

HONG KONG has backed away from making major political reforms this year and will not now introduce any direct elections into the colony's system of government before 1991.

A white paper (policy document) published yesterday said that while there was clear support for direct elections within the Hong Kong community there was no clear opinion about how or when they should begin.

The white paper said limited direct elections to the legislative council, Hong Kong's supreme legislative body would be "logical and desirable" and would contribute to the maintenance of stability.

The decision to defer major political reform until 1991 has been widely signalled by colonial officials and by the British Government in a parliamentary debate last month.

It is, nevertheless, unlikely to stifle criticism that in backing away from demands for reform this year, the Government has capitulated to pressure from Peking.

China feels there should be minimal change until its constitutional experts have drawn up a blueprint for the Basic Law which will cover Hong Kong's political reform when it reverts to Chinese control in 1997. This Basic Law is certain to provide the reference point for reform once it is completed in 1990.

Despite signals that the White Paper would provide a timetable for democratic reform by 1997, it made no specific proposals for change beyond 1991.

The white paper proposes that in 1991 a total of 10 seats on the 56-seat legislative council should be filled by people elected directly from 10 constituencies whose boundaries are still to be determined.

The council will not be expanded to accommodate these elected members. Ten of the 12 seats filled by indirect election from district boards will be abolished. Another 10 seats will continue to be filled by government officials. The number of members appointed by the Government will remain at 20. Representatives of professional interest groups, known as functional constituencies, will be increased by two to 14, with new seats being allotted to accountants and nurses.

UK stock exchange

Continued from Page 1

The argument that they did not want to be forced to deal at the prices quoted on the Stock Exchange Seaq screens was not plausible, he said.

His report recommends that more arbitrage should be encouraged between the stock market and the options and futures markets so that the extreme pricing anomalies between the different contracts could be dampened.

On several occasions during the week of the crash the futures contract on the FTSE 100 index stood at large discounts to the underlying share prices.

The report is also critical of the performance of its international dealing service which experienced long delays in the updating of prices.

Bonn signals EC thaw

Continued from Page 1

would have pressed it further," he said.

The only unanimity among national delegations in Brussels yesterday was on their desire not to have a third summit fail and for the complex welter of inter-related EC spending and financing issues to be put off until the next planned summit in June.

A major problem for the summit will be securing agreement on member states' cereals production, and, in particular, the points at which price penalties for over-production should be imposed.

The new Bonn paper merely repeats the familiar range of options – a 155m tonne ceiling for the community overall from the UK and the Netherlands at one end and 160m at the other as favoured by France and West Germany.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	14	57	Dubrovnik	S	12	54	Malta	S	17	63	Rhodes	S	16	61
Algiers	F	16	61	Edinburgh	F	5	41	Manchester	C	5	41	Rio de J'o	C	27	81
Amsterdam	C	6	43	Faro	S	14	57	Manila	S	33	91	Rome	F	11	52
Athens	S	16	61	Florence	-	—	—	Melbourne	S	25	77	Salzburg	S	7	45
Bahrain	S	19	66	Frankfurt	C	5	41	Mexico City	S	25	77	San Francisco	S	21	70
Bangkok	R	30	86	Funchal	C	16	61	Miami	C	22	72	Seoul	S	-2	28
Barcelona	S	16	61	Geneva	F	5	41	Milan	F	1	34	Singapore	C	32	90
Beirut	-	—	—	Gibraltar	S	16	61	Montreal	C	-8	18	Stockholm	C	2	36
Belfast	C	4	39	Glasgow	F	6	43	Moscow	C	0	32	Strasbourg	C	6	43
Belgrade	S	8	46	Guernsey	F	7	45	Munich	F	5	41	Sydney	S	22	72
Berlin	F	6	42	Helsinki	Sn	1	34	Nairobi	C	27	81	Taipei	C	16	61
Biarritz	R	10	50	H. Kong	C	15	59	Naples	D	14	57	Tangier	F	15	59
Bombay	S	27	81	Innsbruck	C	3	37	Nassau	S	25	77	Tel Aviv	S	17	63
Bordeaux	F	8	46	Inverness	Sl	2	36	New Delhi	S	26	79	Tenerife	C	19	66
Brussels	R	4	39	Islamabad	S	23	73	New York	S	3	37	Tokyo	S	7	45
Budapest	C	3	37	Istanbul	F	12	54	Nice	S	15	59	Toronto	S	-4	25
B. Aires	R	26	79	Jakarta	R	31	88	Nicosia	C	18	64	Tunis	C	18	64
Cairo	S	19	66	Jersey	F	8	46	Oporto	F	10	50	Valencia	S	16	61
Cape Town	S	37	99	Jo'burg	F	14	57	Oslo	R	3	37	Venice	S	8	46
Caracas	C	33	91	Lima	S	26	79	Paris	F	6	43	Vienna	S	9	48
Casablanca	C	15	59	Lisbon	F	13	55	Peking	S	3	37	Warsaw	R	6	43
Chicago	C	-5	23	London	F	7	45	Prague	F	1	34	Washington	F	-1	30
Cologne	C	5	41	Los Angeles	S	29	84	Reykjavik	S	-6	21	Zurich	F	5	41
Copenhagen	C	4	39	Luxembourg	C	1	34								
Corfu	F	12	54	Madrid	S	10	50								
Dallas	-	-	-	Majorca	S	15	59								
Dublin	S	4	39	Malaga	S	18	64								

Readings at mid-day yesterday

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain
S-Sun Sl-Sleet Sn-Snow T-Thunder

Auditors to act on fraud

Continued from Page 1

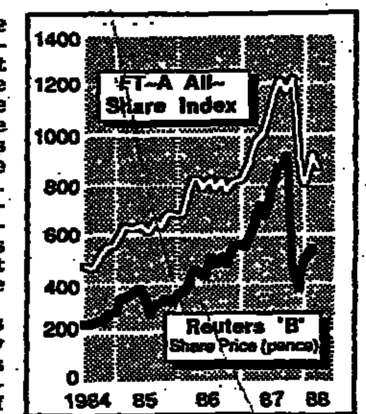
Specifically, it will point out that the financial statements are drawn up by the company's management and only tested on a sample basis by the auditors. Surveys by the institute found a wide public perception that auditors drew up the accounts and reviewed every transaction a company made during the year.

The new rules, written after heated and extensive debate within the profession, were well received in Washington as a substantial step towards improving standards. However, some lawmakers said that deeper changes were necessary to curb fraudulent practices. Auditors should report any evidence of fraud, for example, to the authorities rather than to the company itself.

Some industry observers suggest that by increasing the cost and responsibility of audits, more small- and medium-sized accountancy firms might give up auditing practices. The threat of lawsuits and big increases in insurance malpractice premiums have already forced a good many to quit.

THE LEX COLUMN

London's grounds for complacency



One or two quibbles apart, the London Stock Exchange evidently feels pretty smug about its own performance in the October crash. The tone and the scope of yesterday's report are in sharp contrast to the anxious self-scrutiny coming out of the US in the past few weeks. Partly, this reflects genuine differences in how the two markets behaved; but it also draws attention to the rather different political contexts in which the inquiries have been conducted.

On the trading front, it is increasingly clear how lucky London was that its futures market is still relatively undeveloped. The gearing effect of margin trading does not seem to have threatened the whole financial system as it did in the US, and the futures and cash markets did not chase each other downwards in the same ruinous way. The London Stock Exchange may also be right in claiming that its market-making system provided liquidity in a way in which the NYSE specialists could not, and that the market for the most part traded down to its new level rather than simply collapsing.

But the report is also a reminder of how little attention the crash has attracted in the world of UK politics. The pressure for change on Wall Street reflects not only the graver threats the crash posed to the US financial system, but also the views of interested parties outside the market. London is detectably settling for a more gung-ho attitude; and while there is much to be said for the view that those who live by the market should be prepared to die by it, London's international reputation would not be enhanced if its chief attraction became its lack of rules.

Reuters

It is small wonder that a company which has made itself the heart and soul of the global financial services revolution should suffer when the markets suffer, and prosper when they prosper. So it follows that the Reuters' share price should have taken it on the chin since the stock market crash: Reuters' shares fell by over 50 per cent after October 19 and have badly underperformed the market ever since.

Or does it? Yesterday's sharp recovery in the price – in response to earnings bang in line with expectations – suggests that the market has finally come to a subtler understanding of what Reuters is about. Put simply, it is very little about equities and very much to do with foreign exchange and the money markets. As such, it does not really deserve to be treated as a casualty of the crash.

Despite the scare stories about equity market job losses which have done such violence to Reuters' share price, securities firms simply do not seem to be unplugging screens along with people. The recent launch of the quicker, smarter and more friendly Equities 2000 monitor service has meant that the company's securities business, which accounts for 15 per cent of revenues, has actually grown post-crash. Meanwhile, only a sudden attack of dollar stability could jeopardise continued strong profits from the company's much larger foreign exchange operations. Granted, orders for new dealing rooms from Rich Inc, the recently acquired US subsidiary, fell after the crash, and Rich accounts for 15 per cent of the business. But the company should still manage earnings growth in the upper teens this year, even if its own target of 25 per cent proves elusive.

London Forfaiting

The pricing of the largest new issue since October suggests that investors have undergone a personality change since the crash. A year ago, London Forfaiting might have become not just the biggest, but also one of the most popular USM issues. The company has all the correct traits: a leading position in a select market, strong growth, a more than respectable backer in British & Commonwealth, and mangement prepared to put money in rather than take it out. Meanwhile, that little known trade financing technique of forfaiting – which can apparently go on growing with world trade stagnant so long as the West continues to cut its trade subsidies – might have added that unknown extra to tempt the stags.

In today's suspicious times, prospective investors may look with disfavour on a market they have never heard of. They may stress the lowish quality of its earnings - a significant part of which comes from trading its own portfolio – rather than its above average growth prospects. The short record which has forced this £160m company to settle for the USM will not help, either. A p/e of 9.5, sweetened by a 5.6 per cent yield, must be a sorry disappointment to B&C (which even so has doubled its money in about three years). Yet to have pitched the price any higher would have been daring in such a queasy market.

BZW

There is a danger that yesterday's top management reshuffle at BZW might be regarded as a panic response to the heavy losses incurred during last October's crash. This is not the case. Although BZW almost certainly lost money last year and is unlikely to earn a decent return on its £300m capital for some time to come, the appointment of a new chief executive was an internal BZW move and not forced on it by a nervous clearing bank parent.

Nevertheless, the decision to look outside the group for a replacement for Lord Camoys is yet another sign that the investment banking offspring of Britain's clearing banks are still finding it difficult to generate their own top management talent. Unlike previous recruits, Mr David Band, the new chief executive, is not a traditional merchant banker, which probably says something about the type of firm BZW hopes to become. He learnt his trade at J.P. Morgan, the US commercial bank whose recent success at breaking into the global investment banking business is the envy of its peers. While BZW has established a sizeable presence in UK market making, its corporate finance side has lagged behind, its international expansion is in the infant stage and it has yet to exploit its parent's huge corporate customer base. Whether the Morgan magic can be translated to BZW remains to be seen.

هكذا من الأصل

INTERNATIONAL APPOINTMENTS

American Brands makes board/executive changes

AMERICAN Brands, the diversified group with major business in tobacco, distilled spirits, financial services, and office and household products, which is currently making an agreed bid for E-II Holdings, its US predator engaged in consumer products, has announced board and executive changes.

Mr Charles H. Mullen, 60, president and chief executive of American Tobacco, has been elected a director and vice-president, tobacco, of American Brands (AB), its parent.

Also appointed an AB director was Mr Wendell J. Kelley, chairman and president of Illinois Power. In addition, he serves on the boards of Electric Energy, Magna Group, and Millikin National Bank of Decatur.

Mr Howard C. Humphrey, already a director of AB, has been elected to the additional post of vice-president, financial services. He is also chairman, president and chief executive officer of AB's Franklin Life Insurance subsidiary, the group's financial services core business, having joined Franklin in 1969.

Mr Russell P. Truitt has resigned as vice-president, operations, and as a director of AB in order to take early retirement. He has been with the company since 1957 and has served on the board since 1974.

AB and its board are grateful for his long years of service and for his many contributions to the growth of the company.

* * *

US AEROSPACE group Lockheed has elected Mr Peter A. Marino a corporate vice-president and approved his appointment as president of its Lockheed Electronics subsidiary.

Mr Marino, 45, joined the subsidiary as executive vice-president in September, 1986, and was appointed acting president last September.

He came to Lockheed following a 16-year career with the Central Intelligence Agency, in which he last served as director of the office of technical services.

President appointed at NCR

NCR, a major US manufacturer of computers and business machines, has appointed Mr Gilbert P. Williamson president and a board director.

Mr R. Elton White, 46 and an executive vice-president since 1986, has also been made a director at NCR, which recently announced record net profits, revenues and orders for its fourth quarter and 1987 year. The two new directors raise the NCR board total to 13.

Mr Charles E. Exley Jr, who was previously president but is continuing to hold his other posts of chairman and chief executive, said that Mr Williamson, 50 years old and a 26-year veteran at NCR, brings outstanding ability and extensive knowledge to his new position.

Mr Williamson joined NCR as a systems engineer. He moved into sales and held marketing management positions before being appointed vice-president for medical-education-government systems in NCR's US Data Processing Group in 1973, extended to cover commercial-industrial systems in 1975.

In 1980, he was named vice-president of the Canada-Latin America Region, and later that year vice-president, Pacific Group. He was made an executive vice-president in 1986.

A key role is being played by Mr White in the continuing development of NCR's product strategies, Mr Exley said. "I am convinced the company will benefit greatly from the experience and strategic perspective Elton White now brings to the board of directors."

Mr White has spent 20 years with NCR, firstly as a price analyst. He progressed through a series of financial management positions, and in 1975 was made a vice-president. In 1985, he was appointed vice-president, product marketing and strategic planning.

Leadership change at Bank Leu

By John Wicks in Zurich

THE ZURICH-BASED Bank Leu, smallest of Switzerland's "big five" banks, is to appoint from April 1 as management chairman Dr Werner Schick, general manager of Swiss Bank Corporation. He will succeed Mr Hans Knopfli, who wishes to retire at the age of 60.

This is part of an almost complete change at the head of Bank Leu. As already reported, Dr Arthur Fuerer is retiring from the chairmanship at the age of 67 at the shareholders' meeting. His nominated successor is Professor Kurt Schiltknecht, currently chief executive of the Finnish-controlled Nordfinanz-Bank Zuerich.

Mr Hans Surber, at the statutory age of 65, recently retired as general manager in charge of trading activities. He has been replaced by Dr Werner Frey, who was his deputy.

Furthermore, Dr John Lademann, general manager in charge of the finance department, is to retire on March 31 due to ill-health.

* * *

SEARS ROEBUCK, the US general merchandise retailers, named Mr James M. Denny senior vice-president and chief financial officer, and appointed him to its corporate management committee. He was vice-president, finance.

Mr Richard M. Jones sheds the title of chief financial officer but remains president.

CM operations are reorganised as president retires

CHRYSLER Corporation, smallest of the "big three" US motor vehicle manufacturers, has put into effect a major reorganisation of its automotive operations to strengthen its competitive market position.

Under the new organisation, the responsibilities previously held by Mr Harold K. Sperlich, who retired as president of the Chrysler Motors unit last week, are now shared by Mr Bennett E. Bidwell, aged 60, and Mr Robert A. Lutz, almost 56 years old. Both will report to Mr Gerald Greenwald, CM chairman.

Mr Bidwell, previously vice-chairman of Chrysler Motors, has been made president, product and marketing. He will be heading a new brand-oriented product and marketing organisation. He remains responsible for automotive sales, service and parts operations, and marketing services.

Mr Lutz is now president, operations, at CM, responsible for all domestic manufacturing, car and truck product development, product design, procurement and supply, Chrysler de Mexico, Acustar, and advanced product planning activities. He was CM executive vice-president, having switched to Chrysler from Ford Motor in 1986, where he had been serving as Ford of Europe chairman.

Mr Sperlich, 58, decided to take retirement after more than 30 years in the automotive industry, but he is remaining on the board of directors. He joined Chrysler in 1977 after a 20-year career at Ford Motor. He became president of Chrysler in 1984, and then of Chrysler Motors in 1986 when the corporation was restructured.

Mr Lee A. Iacocca, chairman of Chrysler Corp., said: "Hal's reputation as a leader of the automotive industry is richly deserved, and his contributions to Chrysler have been enormous – his dedication, hard work and talent helped to save our company."

Mr Sperlich commented: "To have been a part of bringing a great company back to life was a rewarding experience. All the years at Chrysler have been exciting and challenging, but knowing what survival meant to our employees, suppliers, dealers and customers made these tough years especially gratifying. I look forward to my continued association with Chrysler as a member of the board, but I am also looking forward to new challenges."

* * *

INGERSOLL-RAND, the US engineering group, announced the appointment of Mr Theodore H. Black as president and chief operating officer.

Mr Black was formerly president and chief executive of Dresser-Rand, a joint venture between Ingersoll-Rand and Dresser Industries.

Accountancy Appointments

Ng agrees futures debt settlement

By David Dodwell in Hong Kong

MR ROBERT NG, the largest debtor to Hong Kong's futures exchange after its collapse in October last year, has agreed to repay HK$750m (US$96m) to the exchange's Guarantee Corporation in a settlement that could prove to be a catalyst for recovery of a substantial proportion of outstanding debts.

Mr Ng, who heads Sino-Land, a Hong Kong property group, agreed last night to repay HK$150m immediately, with a further HK$600m to be repaid over the next eight years. The settlement ends months of speculation over whether Mr Ng could be forced to repay debts that had been incurred by the limited liability nominee companies through which he traded on the futures exchange.

It has been claimed that the failure to settle defaults has brought trade on the exchange to a halt, at the same time inhibiting the recovery of international dealing on Hong Kong's unified stock exchange, where most fund managers need to hedge their equity holdings against futures contracts.

The collapse of Hong Kong's futures market in the stockmarket meltdown last October forced the local stock market to close for four days, bringing the colony's reputation as a financial centre into disrepute.

Following the collapse, it was discovered that many futures traders had failed to enforce proper margin requirements and that generally sloppy management had resulted in a failure to detect serious overheating in the boom months up to October.

It is estimated that Mr Ng, acting through two futures trading companies called Bonsar and Solid Futures, owed close to HK$1.1bn to the Guarantee Corporation when the futures exchange crashed - more than half of the HK$1.8bn total liabilities of all futures traders to the exchange.

The exchange was resurrected with the help of a HK$1.8bn lifeboat put together by government, leading bankers, and leading stockbroking houses. New management has since been installed and radical changes are in train, along with reform of the wider securities industry.

The settlement agreed last night may arouse fierce controversy among the banks and brokers that contributed to the lifeboat, since it virtually ensures that debtors will not be forced to settle in full the claims against them. Many defaulters have watched Mr Ng's case carefully and will have taken note that he has been forced to repay less than 70 per cent of his total debts.

This is critical since the Hong Kong Government committed HK$800m to the lifeboat on a "last in, first out" basis under which it will be reimbursed in full before other creditors can recoup a cent.

While yesterday's settlement makes it certain that the Government will, over time, get all of its money back, it makes equally certain that the institutions contributing the remaining HK$1bn will recover only a limited proportion of the sum they injected.

In recent weeks there has been mounting pressure on the Futures Exchange Guarantee Corporation to force debtors to settle claims against them. Only last weekend, the corporation announced that it intended to force 31 futures brokers that were still in default to stand trial in May if they did not settle their debts.

The exchange is currently marking about 1,000 contracts a day - compared with about 4,000 needed to cover operating costs and 40,000 a day in the bull run ahead of the crash.

Laura Raun on an important meeting for a Dutch transport group

Nedlloyd seeks vote of confidence

A NEW ERA in Dutch corporate democracy is blossoming amid the battle surrounding Nedlloyd, the Netherlands' leading shipping and transport group.

Nedlloyd is seeking to issue cumulative preferred shares to a select group of financial institutions as a way of borrowing cheaply. A group of dissident shareholders, led by Mr Torstein Hagen, a Norwegian shipper, is trying to block the proposed issue because it is considered unnecessary, undemocratic and an anti-takeover defence.

In an keenly awaited extraordinary meeting tomorrow, shareholders will vote on the 3.5m share issue and in a sense on a motion of confidence. The ballot, which must be passed by two thirds of the votes, is expected to be close because of Nedlloyd's eleventh-hour efforts this week to appease dissident shareholders.

If the share issue is approved, Nedlloyd's management – led by Mr Henk Rootliep, the chairman – will have its hand strengthened in its future corporate strategies. If the issue is rejected Mr Hagen, who is known as a shipping "doctor," will have his hand strengthened in trying to determine the course of Nedlloyd.

Mr Hagen has turned round financially troubled companies such as Bergen Line and Royal Viking Line and now sits on the supervisory board of Holland American Lines. With the financial backing of four Norwegian companies, he has acquired a 4.8 per cent stake in Nedlloyd and options over another 5.8 per cent for a total investment of around Fl 30m ($15.7m).

Regardless of the outcome of tomorrow's meeting in Rotterdam, however, both Nedlloyd and the broader shareholder climate in the Netherlands are changing. Rarely have the foes in a Dutch corporate battle taken off the gloves to this extent, with both sides advertising in newspapers, telephoning shareholders and hiring merchant banks in an effort to win support.

In the three months since Mr Hagen first approached Nedlloyd's management with plans for selling peripheral activities and concentrating on shipping, Nedlloyd has increasingly listened to his advice. Mr Rootliep even sought a meeting with Mr Hagen's financial backers in Oslo two weeks ago.

Nedlloyd has announced plans to hive off the rest of its vehicle dealerships and an air freight subsidiary, streamline overland transport activities, and rationalise its Atlantic shipping routes.

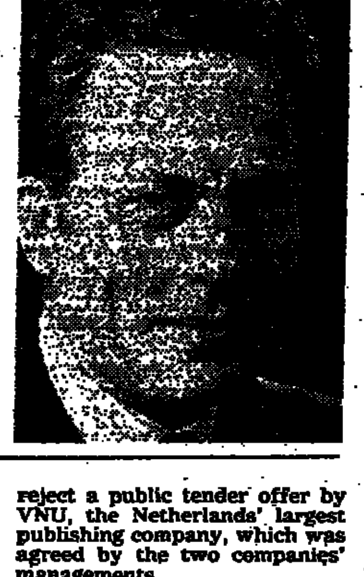
The company has also made notable concessions on the preferred shares, which would amount to 51 per cent of the entire share capital and would be placed by the institutional investors in a foundation.

Tighter controls have been imposed on the ability of these four institutional investors to make use of their preferred shares – they will receive only certificates on which conversion restrictions have been placed – and this week Nedlloyd has been considering giving shareholders a voice over the foundation.

Shareholders' demands for more information about the share issue and a proposed large asset writedown have been met, albeit grudgingly. "It's like a child – the more toys you give him the more he wants," Mr Rootliep said.

Changes in the broader shareholder climate have led holders in Nedlloyd and other Dutch companies more actively to exercise their limited rights to challenge management decisions. Dissident shareholders of Audet, a small Dutch publisher, are trying to persuade others to reject a public tender offer by VNU, the Netherlands' largest publishing company, which was agreed by the two companies' managements.

Mr Henk Rootliep (right), the chairman of Nedlloyd, is seeking support for a preferred share issue which would strengthen his hand in corporate stategy. A group of dissident shareholders, led by Mr Torstein Hagen, a Norwegian shipper, considers the issue unnecessary, undemocratic, and an anti-takeover defence. After eleventh-hour efforts of appeasement, the decision is expected to be close



Shareholders started becoming more conscious of their rights last summer during the most hostile takeover battle in recent Dutch history, that surrounding Kluwer and Elsevier, two other large publishers.

Since then the report of a key commission shocked the financial community by endorsing Dutch takeover defences and prompted the Amsterdam bourse to consider calling for curbs on excessively protective ownership structures.

Nedlloyd has long been viewed as an attractive takeover candidate, being Europe's third largest shipping group with turnover of Fl 3.9bn in 1986. It was created in the early 1970s through the merger of the leading liner shipping companies in the Netherlands.

Since then, Nedlloyd has diversified into airlines, overland transport, oil and gas exploration, and other activities.

The battle surrounding Nedlloyd began last December when the company announced plans to devalue its ships and oil rigs by Fl 1bn over 1987 because the markets were considered structurally lower. The writedown, if approved by shareholders at the annual meeting in June, would dwarf an operating profit of Fl 10m.

To help repair the balance sheet Nedlloyd proposed the issue of cumulative preferred shares, which carry a 5.9 per cent dividend.

Shortly before Nedlloyd's announcement, it was approached by Mr Hagen, who insists he has no intention of trying to take over Nedlloyd but wants only to improve an underperforming company.

He contends that the ships should not be devalued because prices are now rising. Moreover, he argues that Nedlloyd should create a European shipping consortium, to be called Eurolines, grouping leading liner shippers in a company that would operate more efficiently than shipping conferences.

It is also necessary, he says, to engage in "opportunity shipping" in which vessels are traded for profit instead of simply to satisfy cargo needs.

Tomorrow's vote will be close for several reasons. This week Nedlloyd has sought to drive a wedge between dissident shareholders by holding out concessions that may appease some investors but not Mr Hagen, who still views the issue as an anti-takeover defence and superfluous.

A peculiar limitation on voting rights, which is clearly a protective measure, means that every shareholder can cast only 120 votes regardless of the size of holding. Thus the number of holders present will be decisive rather than the size of stake.

If it is anything like the first extraordinary meeting, which was inquorate, it could turn into a marathon. Unlike last time, however, tomorrow's gathering must produce a victory for one.

Baloise calls meeting to consider bid defence

BY OUR FINANCIAL STAFF

BALOISE, THE Swiss insurance group with a stock market value of about SFr666m ($478m), has called a special shareholders meeting for March 2 to consider a defensive plan against a possible takeover.

The company, which has premium income of about SFr3.3bn and an investment portfolio of more than SFr13bn, claims that a foreign group has accumulated its registered shares. Estimates have placed the stake at 15 per cent of Baloise.

The foreign group, which has yet to come forward to seek registration of its shares, is rumoured in Switzerland to be either French or Belgian.

Baloise reacted quickly last month to signs that an unknown group was amassing shares. The company's management slapped restrictions on the number of registered shares one investor may seek to have entered into the company register.

Swiss Bank Corporation, one of the big Swiss commercial banks, owns a small minority stake in Baloise. This is well under 2 per cent, the bank said, adding that it does not plan to involve itself in the affair.

In France, where the Italian group Generali yesterday acknowleged it had acquired a stake of 9 per cent in the Midi insurance group, rumours have long swirled around the markets about possible acquisitions in the insurance industry.

Baloise's registered share eased SFr10 to SFr1,690 on the Zurich bourse yesterday.

Australian SE summons Elders IXL over BHP

BY OUR FINANCIAL STAFF

ELDERS IXL, Mr John Elliott's brewing and agribusiness group, has been summoned by the Australian Stock Exchange over the buyback of its holding in Broken Hill Proprietary (BHP).

An Elders official said yesterday the exchange authorities were seeking a court hearing to challenge an Elders decision not to call a meeting of its shareholders to approve its deal with BHP involving more than A$2bn (US$1.4bn) in asset transfers. The company insists clearance is not necessary.

Meanwhile Elders also announced New Zealand Commerce Commission approval for it to take full control of three linked companies there. These are Rada, a troubled investment group in which it already holds nearly 20 per cent, as well as NZ Forest Products and Crown Corporation.

Advance by Anglo Alpha

ANGLO ALPHA, the South African cement producer which is 34-per cent owned by Holderbank of Switzerland, boosted pre-tax profit 41 per cent last year to R81.3m ($40m) from R57.7m, **Our Financial Staff** reports.

Net income was up 30.4 per cent to R55.8m from R42.8m, or 185.5 cents a share against 142.3 cents. The dividend was lifted to 70 cents from 60 cents.

Anglovaal, the mining and industrial group, has an 8 per cent stake in the company.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY-Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1986							
2nd qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3rd qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4th qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1987							
1st qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2nd qtr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3rd qtr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4th qtr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aug.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sept.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oct.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OUTPUT-By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1986							
1st qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2nd qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3rd qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4th qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1987							
1st qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2nd qtr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3rd qtr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4th qtr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aug.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sept.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EXTERNAL TRADE-Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn
1986							
2nd qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3rd qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4th qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1987							
1st qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2nd qtr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3rd qtr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aug.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sept.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oct.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1988							
Jan.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FINANCIAL-Money supply M0, M1 and M3 (three months' growth at annual rate); bank sterling lending to private sector; building societies' net inflow; consumer credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank lending £m	BS inflow £m	Consumer credit† £m	Base rate %
1986							
3rd qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4th qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1987							
1st qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2nd qtr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3rd qtr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4th qtr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aug.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sept.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oct.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INFLATION-Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1987=100); Reuters commodity index (Sept 1931=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	Reuters* comdty.	Sterling
1986							
1st qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2nd qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3rd qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4th qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1987							
1st qtr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2nd qtr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3rd qtr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4th qtr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aug.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sept.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oct.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1988							
Jan.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

*Not seasonally adjusted
†Net changes in amounts outstanding, excluding bank loans.

Management Consultancy

...your bridge to general management

London **To £35,000+Car**

With the growing complexity of business management, there is an ever increasing demand for financial consultancy. This gives fast-track accountants the opportunity to accelerate their career path and widen their breadth of experience.

As a consultant you will be involved with projects covering:

* Financial Management
  - Enhancement of management information systems.
  - Development of strategic planning techniques.
  - Improvement of reporting procedures.
* Business Appraisal
  - Evaluation of clients' operational and competitive situations.
  - Formulation of profit improvement plans.

Successful candidates will be graduate qualified accountants aged between 26 and 32 who will be able to demonstrate an impressive track record, preferably gained within a blue chip organisation. In addition you will have an outgoing and ambitious approach and be able to communicate effectively with all levels of management.

We are currently recruiting for a number of international consultancy firms and should you be interested in discovering more about these outstanding opportunities, then please send your curriculum vitae (stating daytime telephone number) to Paul MacIldowie ACA, Executive Division, 39-41 Parker Street, London WC2B 5LH, quoting ref. 490

Michael Page Partnership

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide

A member of Addison Consultancy Group PLC

Accounting and Finance Manager

Humberside **£27,000 + Car + Bonus**

Our client is an £80 million turnover subsidiary of a successful UK quoted PLC, engaged in the manufacture and marketing of fast moving consumer goods. They produce a number of household name branded products, many of which are recognised market leaders in their fields.

Internal promotion creates the need for an Accounting and Finance Manager who, reporting to the Finance and Planning Director, will assume total responsibility for the finance and management accounting functions through the supervision of 40 staff. In addition, the successful applicant will be expected to make a positive contribution to the overall management and strategy of the business.

Candidates, aged 30+ will be qualified accountants, who can demonstrate a track record of achievement coupled with a high degree of self motivation, commercial awareness and communicative abilities. The Group's career development policy ensures that prospects are excellent.

Relocation facilities are available where appropriate. Interested applicants should write to Christopher Sharp, quoting ref. L8421, at Michael Page Partnership, Leigh House, 28-32 St. Paul's Street, Leeds LS1 2PX. (Tel: 0532 450212).

Michael Page Partnership

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide

A member of Addison Consultancy Group PLC

FINANCIAL CONTROLLER
AGRICULTURAL DEVELOPMENT

BATH **up to £25,000 plus car plus profit share**

Our client, an international agricultural specialist for twenty years, has recently seen significant business growth in managing development projects. Turnover now exceeds £4m with a recent profitable growth record and the resources are available to sustain this growth. They are seeking a financial controller for several projects.

You will be responsible for the projects' financial staff and for the financial feasibility, business planning, presentation for funding, recruiting local finance staff and negotiating the establishment of new projects for which there will remain a continuing financial responsibility. Potential exists for the suitable candidate to develop with the growth of the company.

Candidates, aged 27-40, will be qualified (preferably chartered) with a broad commercial experience and with the credibility and stature for this challenging role in international business. Previous agriculture experience is not necessary.

The salary and benefits, typical of an executive appointment, will include substantial profit sharing arrangements, and relocation assistance.

Please write in confidence (quoting F7200) to Brian Ing, Clark Whitehill Consultants, Limited, 25 New Street Square, London EC4A 3LN.

Clark Whitehill Consultants

Executive Selection

FINANCIAL DIRECTOR

DEVON/CORNWALL border
up to £30,000 package + Car

Our client, a very successful and profitable subsidiary of a large British public group, manufactures branded domestic products to high quality standards and sells through the major national and regional retail chains, in addition to local independents.

The Company, the leader in its field, enjoys considerable operational independence and its management anticipate and welcome the challenge posed by predictions of future growth and change in the retail arena.

Growth over the last two years of 20% compound will continue; turnover is c.£12 million and there are 200 employees.

The Financial Director will report to the Managing Director and should:

- be a qualified accountant, aged probably 30-40
- have considerable experience of commercial and financial control disciplines gained in a lively, high volume, manufacturing business eg FMCG, brown or white goods or possibly automotive components
- currently hold a senior financial responsibility ie director, controller or chief accountant in a sizeable business
- have experience of operating and developing systems using main-frame and micro-computers
- be an effective manager: commercially orientated; maybe having some experience of acquisitions

Future prospects are excellent; these need not be limited to the finance function.

The usual large group pension and security benefits apply; removal costs will be met.

Initial meetings will be arranged locally, possibly outside office hours.

Brief application should be sent to John Hearn (or telephone for a short application form) at this address:

Hearn Healy & Partners

Management & Recruitment Consultants

Westmorland House, 127 Regent Street, London W1R 7HA.

Tel: 01-734 6267

Accountancy Personnel

Placing Accountants First

FINANCIAL ACCOUNTANT—MEDIA

West End **c£20,000+Car+Bonus**

CONFIDENTIAL

Our client, a prestigious Communications/Media Group, have an opening for a young Qualified Accountant to design and oversee an accounting system for a newly acquired subsidiary.

Proven man-management skills and excellent technical expertise are prerequisites coupled with a high degree of computer literacy and a determination to succeed.

The benefits package will include a substantial bonus, fully expensed car and private medical care. Group Financial Controllership is envisaged for the successful candidate within the near future. Long term prospects are unlimited. Ref: C9984

For further details, please contact Accountancy Personnel, 14 Great Castle Street, Oxford Circus, W1N 7AD Tel: 01-580 9186

FINANCIAL CONTROLLER

Central London **£25,000-£30,000+Benefits**

CONFIDENTIAL

Our client, a leading international electronics company currently requires a dedicated professional to assume the position of Financial Controller. Prospective applicants should be fully qualified Accountants, aged late 20's to mid 30's, of directorship potential with a successful record of achievement to-date. The envisaged role will encompass both financial and management accounting, in addition to extensive systems development. The successful candidate will also be expected to contribute heavily to decision-making at senior management levels. Remuneration package includes a fully expensed company car and share option scheme. Ref: BH8603

For further details, please contact: Accountancy Personnel, 9 Eastcheap, EC3M 1BN Tel: 01-626 0666

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD and WINDSOR

A MEMBER OF BLUE ARROW PLC

Finance Director

Successful Design Consultancy
Attractive Midlands Location,
Salary Package c £30,000, Car, Share Options

Part of a highly regarded international plc, this autonomously operating Design Consultancy has established an excellent portfolio of clients and has well developed plans to continue its impressive growth record to achieve targetted sales of £10m within the next two years. Managing a small team the requirement is to become fully involved commercially, providing sound financial systems and controls, meaningful monthly reports for operational and Group use, plus further development of computer applications. The individual must be able to play a key role in the overall management of the business. Candidates should be qualified accountants, possibly occupying a senior role with one of the large professional practices, possessing man management and broad commercial acumen. A strong personality combining a hands on approach with the ability to tackle wider management and business issues is essential.
J.R. McCallan, Hoggett Bowers plc, Castle House, 74 St James's Street, **NOTTINGHAM,** *NG1 6FJ,* **0602-412019.** *Ref: E12042/FT.*

Head of Internal Audit

Banking and Related Financial Services
Northern England, To £25,000, Car, Banking Benefits

As a result of strategic growth within this major multinational company, the Finance Division now comprises principally an authorised bank and a number of finance, investment and insurance companies with interests in various parts of the UK and Channel Islands. This expansion requires the establishment of a divisional internal audit function. Responsible to the Divisional Managing Director the task will be to consolidate existing capabilities and set up and manage the department to meet legislative and company requirements. Candidates, probably aged 30-40, will be chartered accountants with several years' experience in financial sector audit. This is a rare opportunity to develop a vital function within a rapidly expanding, profitable group.
C. Vaughan, Hoggett Bowers plc, St. James's Court, 30 Brown Street, **MANCHESTER,** *M2 2JF,* **061-832 3500.** *Ref: M18015/FT.*

Financial Controller

Photographic Equipment
East London/Essex Border, c £24,000, Excellent Benefits

This is a first class career opportunity to make a positive contribution to the growth, development and profitability of a well established company, planning for a USM flotation in two years time. Within easy access to London and the M25 the company is a world leading manufacturer and supplier of photographic products with an excellent international reputation for quality and reliability. Reporting to the Financial Director the successful candidate will lead a small team in meeting all the accounting and reporting requirements of the company. This will include special emphasis on tight cost controls, financial planning and management of computerised systems. High calibre qualified candidates preferably ACA will be aged late 20's, early 30's and should have a positive financial career record ideally in a manufacturing environment. This is an excellent career opportunity that offers exciting challenge and excellent rewards.
Mrs. M. Gould, Hoggett Bowers plc, 1/2 Hanover Street, **LONDON,** *W1R 9WB,* **01-734 6852.** *Ref: H13040/FT.*

These positions are open to male or female candidates. Please telephone for a Personal History Form to the relevant office, quoting the appropriate reference.

How will <u>you</u> get to be FD?

London and throughout UK
£25-40,000 + car + benefits

C&L

An increasing number of high-calibre financial managers are choosing management consultancy as the answer. Consultancy offers great opportunities to enhance your technical and interpersonal skills at the same time as giving exposure to a wide range of commercial organisations.

Coopers & Lybrand, one of the UK's leading firms of accountants and management consultants, works with a diversity of organisations ranging in size and sector including many of the leading international organisations in manufacturing, retailing, financial services, transport, telecoms, energy and public utilities.

You would work on a stimulating mix of consulting assignments including:

- Business Performance Improvement – assessing clients' competitive position and operational effectiveness; identifying and assisting in the implementation of profit improvement programmes.
- Financial Control – enhancing the effectiveness of management information and financial control; developing advanced management accounting systems and improving the organisation systems and procedures of the finance function itself.
- Financial Analysis – using advanced analytical techniques to appraise the financial outcome of alternative business strategies and major investment projects.

This exciting environment is first class preparation for that move to FD – as many people can demonstrate from first hand experience. Alternatively you may choose to make a career in consulting – considerable scope exists to progress to partner level.

If you are a graduate qualified accountant, aged 25-35, with a record of high achievement in financial management you should discuss the opportunities with us.

We have vacancies in London and throughout the UK in positions at several levels with salaries ranging up to £40,000 plus car and benefits.

Please write with CV, quoting reference F10/4, to Victor Luck, Director, Financial Management & Business Appraisal

Coopers & Lybrand

Plumtree Court, London EC4A 4HT

GROUP FINANCE DIRECTOR (DESIGNATE)

£35,000c package, plus equity.
SE1 - London Bridge Based

The Lafferty Group is a leader in the provision of information to the financial services and accountancy industries on a worldwide bases. Since formation 7 years ago the group has expanded rapidly and now has overseas offices in Atlanta and Sydney. Employing a workforce of 70 with a turnover £4M, the group operates through three divisions: publishing, conferences and research.

Controlling 11 staff and reporting to the Chief Operating Officer, you will assume total responsibility for finance, accounting, administration, MIS, customer information, and company secretarial functions. this is a "shift-sleeve" job and you will be expected to produce monthly financial and business information in accordance with tight deadline.

Suitable candidates will be ambitious Chartered Accountants, aged 30-40, with relevant management and computer systems experience in a small to medium sized service company. International experience and a knowledge of the financial services industry would be an advantage. You will be capable of managing and motivating a team as well as communicating effectively at all levels.

Please apply directly to Vera Vaisova, Chief Officer, Lafferty Group Ltd, Axe & Bottle Court, 70 Newcomen Street, London SE1 1YT, enclosing a comprehensive c.v. together with details of your current remuneration

THE
FINANCIAL TIMES
A CENTENARY HISTORY

David Kynaston

The complete and illuminating history of Britain's most distinguished daily newspaper.

£25.00

through good bookshops

VIKING

To: The Penguin Bookshop
54 Bridlesmith Gate
Nottingham NG1 2GP

Please send me ______ copy/copies of THE FINANCIAL TIMES: A CENTENARY HISTORY at £25.00 each plus £1.50 per copy postage and packing (£5.00 per copy for overseas orders).

I enclose a cheque/PO for £______ payable to THE PENGUIN BOOKSHOP. Please charge my Visa/Access/Amex/Diners (Please delete where not applicable)
No. ______________
Expiry Date ______________

Name (BLOCK CAPITALS PLEASE) ______________
Address ______________
____
Signature ______________
Date ______________

هكذا من الاصل

SPECIALISED KNOWLEDGE

SPECIAL RECOGNITION

TAX MANAGER–US/EUROPE

c£32K + CAR ETC

It is not by chance that Occidental has become a major international oil company. We have reached our position — with a worldwide turnover now in excess of $15 billion — through a combination of flair and sound commercial practice. Both of these characteristics are qualities we expect to find in candidates for this position.

The opening will appeal to a fully qualified Accountant with experience of US and UK corporate and UK personal taxation, gained at senior level within commerce or industry, who is ready to receive due compensation for outstanding ability.

You will be responsible for providing all US tax related advice and reporting information in respect of Occidental companies operating in Europe.

Some foreign tax involvement may also arise. You will also be the key figure in the administration and interpretation of tax equalisation policies. Probably in your late 20's/mid 40's, you will have a good working knowledge of PC's. An understanding of VAT would be an advantage. On a more personal level you must be a good communicator and able to deal easily with colleagues and your counterparts in the oil industry and in the Inland Revenue. Most importantly, you will possess the drive and determination to make an immediate and positive contribution.

In return we can offer a salary of circa £32,000 p.a., a quality car and benefits to include family medical insurance, free life assurance, a contributory pension scheme and sports and social facilities. In this high profile position you will be well placed to play an influential role in the further development of a company poised for an exciting future, and personal success will enhance your own excellent prospects. Please write with brief career and personal details to: Clyde Sorrell, Employee Relations Department, Occidental International Oil Inc., 16 Palace Street, London SW1E 5BQ.

OXY

PA TO PARTNER

£30,000 Central London

Young, lively firm with well appointed modern offices, has an urgent need for an ambitious and resourceful ACA of the highest calibre to be groomed for partnership. Working closely with one of the senior partners you will have a high level of responsibilities for a client base. Please contact: David Paton on 01-734 4836, alternatively write to:

Search & Selection Div, Finance Recruitment, 2-3 Golden Square, London W1R 3AD

FINANCIAL ACCOUNTANT

C. LONDON
Sal c.£24,000 + Quality Car
Data Management Co.

Qualified for new role in expanding PLC Group. Excellent line prospects. Age to 38. Full information.

Tel: 01-623-1053
FT Partnership (Rec Cons)

APPOINTMENTS ADVERTISING

Appears every Wednesday and Thursday

for further information call 01-248 8000

Tessa Taylor
ext 3351
Deirdre Venables
ext 4177
Paul Maraviglia
ext 4676
Elizabeth Rowan
ext 3456

Chief financial officer

City c£45,000 + car

C&L

For the newly independent asset management arm of a leading City institution, part of a major UK public company with wide international interests.

Reporting to, and working closely with, the Chief Executive, this is an exciting opportunity to set up and develop a total finance function within a new structure. Key tasks will be to introduce management accounting and information principles and practices throughout the company and to establish a new in-house administrative organisation for the group's unit trusts.

A qualified accountant, probably aged 35 to 40, you must have broad financial experience in a fund management organisation, together with the related financial and securities departments. You will need highly developed skills of communication, persuasion and diplomacy and will preferably be familiar with building, as well as managing, an effective finance team. If you are looking for an opportunity to take the lead in developing your own department and contribute directly to company policy and growth, we should like to hear from you.

Résumés, with daytime telephone number, to Daphne Silvester, Ref: 850 DS to:

Coopers & Lybrand Executive Selection

Coopers & Lybrand
Executive Selection Limited

Shelley House 3 Noble Street
London EC2V 7DQ

SENIOR CONTROLLER

CITY OF LONDON — **CIRCA £40,000+CAR+ FULL BENEFITS PACKAGE**

Our client is one of the city's most successful international commodity trading organisations.

As a result of rapid expansion, they now need to appoint a Senior Controller to assume complete responsibility for the financial function of one of their major trading divisions, reporting to the divisional Finance Director.

This is an excellent opportunity for a qualified accountant, aged 30-40 years, to join a well managed and highly profitable group which can offer superb future career development prospects.

If you are interested please send your CV in the first instance quoting ref: 110288/FT stating clearly under separate cover any companies to which you do not wish your application forwarded.

LAVERY ROWE ADVERTISING LTD
Specialist Recruitment Division.
18 Chenies Street London WC1E 7EX: 01-631 4262.

TAX CONSULTANCY IN THE EAST MIDLANDS

LEICESTER AND NOTTINGHAM — UP TO £27,500 + CAR

We have attractive career opportunities, at manager and assistant manager levels, for young tax specialists to join our tax practices in Leicester and Nottingham.

In the East Midlands, we boast a diverse portfolio of clients ranging from small developing businesses to multinational groups. Brewing, property development, retailing and leisure are just some of our clients' activities.

You are likely to be a chartered accountant or Inland Revenue Inspector (P) with at least 2 years' corporate tax experience. We are looking for people with flair and business initiative whose careers will thrive by sharing and developing our clients' commercial and progressive ideas. High quality tax advice is often at the cutting edge of important business decisions and continuous client contact is the hallmark of our tax consultancy service.

As part of a nationwide team of 600 tax partners and staff, you will participate in a comprehensive tax training programme designed to develop your technical, managerial and communication skills. Most courses are held at our National Training Centre in London.

These positions offer excellent career opportunities for advancement. You will be expected to participate in practice development activities including presenting courses and seminars for clients and the local business community.

If you currently live outside the East Midlands, an attractive relocation package is available for those who seek to move to a most delightful part of the country where travelling to work can be a leisurely experience.

For those interested in either Leicester or Nottingham, please write, with brief CV, or telephone:

Tim Porter, Tax Staff Partner,
Price Waterhouse, Southgate House,
61 Millstone Lane, Leicester LE1 5QA,
Tel: 0533-531981.

Price Waterhouse

OFFICES IN: LONDON - ABERDEEN - BIRMINGHAM - BRISTOL - CARDIFF - EDINBURGH - GLASGOW - LEEDS - LEICESTER - LIVERPOOL - MANCHESTER MIDDLESBROUGH - NEWCASTLE - NOTTINGHAM - SOUTHAMPTON AND WINDSOR - ASSOCIATED FIRMS IN IRELAND AND THE CHANNEL ISLANDS

Finance Controller

Isle of Man — **to c£24,000**

Our Client, a profitable consumer group with a turnover in excess of £15m, seek to appoint a Financial Controller.

The successful applicant will assume total responsibility for the Finance and Administrative functions of the business and will report directly to the Chief Executive. Specific emphasis will be placed on the timely preparation of periodic management information and the control of all financial support functions.

Candidates should be qualified accountants who can demonstrate a strong track record in financial management coupled with the drive and interpersonal skills required to make a significant contribution to the management of the business.

Interested applicants should contact **Stephen K. Banks**, on 061-228 0396 or write to him at **Michael Page Partnership, Clarendon House, 81 Mosley Street, Manchester M2 3LQ,** quoting ref. 1516.

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Financial Controller

Support Board Activity Established Sussex Coast Business

This well-established and profitable contracting and manufacturing business with an £8 million turnover and a dominant market share employs nearly 300 staff. Operating from two main locations – Sussex and the West Midlands – it now seeks to supplement its top management team by the appointment of a Group Financial Controller.

Reporting to the M.D. and supported by a small accounts team, you will have total responsibility for all financial accounting and administrative aspects of the three group companies. You will play a positive and proactive role in supporting the Board by the setting up of appropriate systems and the provision of timely and relevant information. You will also be expected to play an active part in the general management of the business.

A qualified accountant, probably in your mid-30s, you already have good industrial experience and a track record of developing computer-based systems. You have a keen commercial awareness and are challenged by the prospect of influencing the development of an already successful business.

A competitive salary is supported by a range of executive-level fringe benefits. Prospects for career development are good. To apply, please write in the strictest of confidence to Harold Jones of Cripps, Sears & Partners Limited, Personnel Management Consultants, International Buildings, 71 Kingsway, London WC2B 6ST.

Cripps, Sears

FINANCIAL RECRUITMENT CONSULTANCY

London and Reading

£15-£50,000

The Harrison Willis group has grown substantially since a management buyout in 1983, and currently employs over sixty people in four offices. Turnover for our current financial year is confidently expected to exceed £5m with profitability in line with industry leaders.

Whilst expanding rapidly we have successfully retained the personal atmosphere which we consider so important and which helps to create a positive and stimulating environment in which to work. We believe this factor alone sets us apart from many of our competitors.

We have some exciting and challenging plans for 1988 and require six more people to help us achieve our objectives. We have the flexibility to recruit individuals with or without recruitment experience and in several different business sectors. Two positions, however, are quite specific — an experienced and ambitious recruiter for our recently established Executive Selection Division in London, and an experienced Temporary Contract Consultant for our Reading office.

For further information please reply to ***Laurence Smith*** *(Managing Director) on* ***01-629 4463*** *(or after 8.00pm* ***0580 211562****). Alternatively, send a comprehensive C.V. to the address below. Your enquiry will naturally be treated in the strictest confidence.*

HARRISON WILLIS
FINANCIAL RECRUITMENT CONSULTANTS
Cardinal House, 39-40 Albemarle St., London W1X 3FD. Tel. 01-629 4463.

TRADING PROSPECTS NOT BADLY AFFECTED BY CRASH

Reuters boosts profits by 37%

BY DAVID WALLER

A CONFIDENT statement from Mr Glen Renfrew, managing director of Reuters, prompted a 29p rise in the the international business information group's share price to 478p yesterday as it reported a 37 per cent increase in its 1987 pre-tax profits.

The £48.7m jump in taxable profits to £178.8m was in line with City expectations. What impressed the market further was Mr Renfrew's declaration that the group's trading prospects had not been severely impaired by last October's crash in global financial markets.

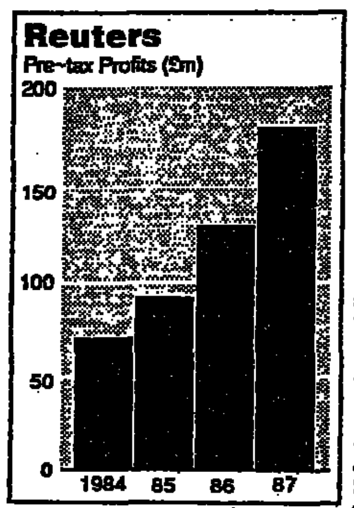
With over half of the group's turnover deriving from foreign exchange information and dealing services, analysts had feared a slowdown in this key area of Reuter's business. Yet Mr Renfrew gave three reasons why the contraction should not be dramatic:

- Most of the company's revenue is sold under long-term contracts renewable every one to four years, and therefore not subject to instant cancellation.
- Serving different market sectors in over 60 countries, Reuters is insulated from setbacks in individual countries or sectors.
- In volatile financial markets, the need for global information and trading services becomes more critical.

Glen Renfrew, managing director of Reuters

Some 10,000 video terminals were installed between October 19 and the end of the year, taking the total to 141,000. At 9,500, dealing key-stations were 1,400 ahead on October.

Orders for the company's recently introduced Equity 2000 service, which offers information on more than 100,000 worldwide equity, futures and commodities prices, stand at 7,500. A third of these have been received since the crash.



Mr Renfrew said that a further fall in equities would damage Reuters only indirectly through the erosion of clients' confidence, but that orders would inevitably fall from the record levels of last year. At US subsidiary Rich Inc., profits would drop from the $26m made last year in response to a sharp fall in demand for dealing-room systems.

Total revenue last year rose by £248m to £866.9m, of which £495.9m originated in Europe, £186.8m in Asia and the Antipodes, £172.5m in North America and the balance in Africa and the Middle East.

Operating profits amounted to £179.4m (£130.5m), after interest income of £11.4m (£14.9m). The effective rate of tax rose from 38 per cent in 1986 to 38.7 per cent last year, making the charge £69.2m against £49.4m. Earnings per share increased by 34 per cent to 26p.

The final dividend is 5p, making 7.3p for the year compared with 5.5p in 1986.

Reuters announced that its American Depositary Shares, traded on NASDAQ, the US over-the-counter market, are to be split two-for-one in the interests of marketability.

It was also announced that Mr Ian Park, a director of Associated Newspapers, has been appointed a non-executive director of Reuters. He replaces Mr R.M. Shields, the former managing director of AN who died last year.

Mr David Ure, managing director of Reuters Europe, and Mr Andre Villeneuve, president of Reuters North America, are to join the main board as alternate directors.

See Lex

Birmid supported in Blue Circle fight

By Michael Smith

Birmid Qualcast, the home products group, yesterday received the public backing of fund management group Framlington in its battle to fend off a £275m hostile bid from Blue Circle.

However, the predator claimed that it needed less than 5 per cent of Birmid's shares to secure victory. Yesterday it bought 2.2 per cent to take its holding to 42.1 per cent. It has acceptances for another 2.3 per cent and has not yet bought the 1.5 per cent which fund managers at Barclays de Zoete Wedd have pledged for it.

Framlington, owner of just less than 0.5 per cent of Birmid, is the third institution to declare its allegiance, following announcements from M & G (for Birmid) and BZW.

Mr Patrick Evershed, one of the fund management team at Framlington, said Birmid was an excellent company which had been well run for the last decade.

Framlington bought into Birmid in 1980 and Mr Evershed said the investment had grown in value by between 15 and 20 times since.

Birmid yesterday sent shareholders what is likely to be its last defence document of the bid, which closes on Saturday.

It said the downside for its share price was limited and cited the example of three companies - Pilkington, Ocean Transport & Trading and UBM Group - where the share price rose shortly after bids for them failed.

Blue Circle, in turn, cited three companies - Norcros, George Scholes and Berisford - where share prices had fallen after bids for them had failed.

London Forfaiting set to raise record £81m

BY PHILIP COGGAN

THE £81m offer-for-sale from **London Forfaiting**, a trade finance company, is the largest ever capital-raising exercise on the Unlisted Securities Market.

It is also a distinctly unusual company. There are no other forfaiting groups on the market and the shares will sit in the Miscellaneous Financial category.

Forfaiting is a technique used to provide credit for exporters. The exporter sells goods abroad and the customer (the importer) agrees to pay at some time in the future - usually between six months and five years. But the exporter may want the cash now and therefore gets the importer to provide a bill of exchange, or promissory note, which is guaranteed by a bank in the importer's country.

The exporter then presents the bill to the forfaiter who will pay the face value minus a discount to reflect the risk of non-payment and interest costs. The forfaiter then has to ensure that the importer - or its bank - pays up.

In the past, the majority of trade credit has been provided by government agencies but public expenditure constraints have meant that the governmental role is gradually being reduced. The result is more opportunities for the private forfaiting companies.

The two men behind London Forfaiting, Mr Jack Wilson and Mr Stathis Papoutes, have plenty of experience in the business. They built up the forfaiting arm of Hungarian International Bank before leaving in 1983 to set up their own company. Since London Forfaiting was founded just four years ago, it does not have the five year trading record necessary for a main market listing.

London Forfaiting was originally backed by Exco and British & Commonwealth; following its 1986 takeover of Exco, B & C held a 85 per cent stake. The current issue will raise about £38m for London Forfaiting to expand the business. The rest will pass to B & C which will reduce its holding to 40 per cent.

B & C shareholders will be given priority in allocating 21.9m of the 50.6m shares on offer. The offer price is 160p, which on the basis of the pre-tax profit estimate of £16.5m for 1987 (up from £13.4m in 1986), puts the shares on a p/e of around 9.5.

The opening market capitalisation will be £160m and the directors have indicated that the shares will carry a gross yield of about 5.6 per cent.

The minimum application for the issue, which is sponsored by Schroders, is for 200 shares; applications close on February 18. Dealings are expected to start on February 25.

See Lex

Harvey & Thompson up 33%

BY HEATHER FARMBROUGH

A VORACIOUS appetite for borrowing by individuals helped **Harvey & Thompson**, pawnbroker and debt collector, increase pre-tax profits by 33 per cent to £602,000 in the six months to December 26.

The results reflected strong trading conditions in the company's chain of 23 pawnbroking shops. Mr Rupert Galliers-Pratt, chairman, said that growth had come from people borrowing more money and the opening of new sites.

"We intend to carry on acquisitions in the pawnbroking business as aggressively as possible," he said. The company intends to open three or four shops during the rest of the financial year.

However, the relative pre-tax contribution from pawnbroking is expected to fall below the current 50 to 60 per cent level as debt collection and hire purchase credit businesses expand.

The Lewis debt collection operation, which represents the majority of high street banks and credit card companies, contributed £180,000 to profits. A new centralised computer system linked to all major customers went on line last week. Mr Galliers-Pratt anticipated growth from both new clients and additional fee-based advisory services for existing clients.

He was also optimistic about prospects for the hire purchase lending and leasing division, acquired last year, which is currently writing £35,000 a week in new business.

Operating income for the period was £2.5m (£2.1m). An interim dividend of 3p (2.5p) is declared from earnings per share of 12.1p (10.49p).

● comment

The attractions of pawnbroking as a business are such that one wonders why it is only Harvey & Thompson which appears to be exploiting them so aggressively. A recession-proof customer base, paying 48 per cent per annum to borrow money, operating from a highly fragmented industry sounds almost too good to be true. In the last seven years, Harvey & Thompson's recovery and subsequent growth has shown sound management principles and a cost effective administrative system can work wonders in any business. True, it can take a long time before a new branch breaks even, but once in the black, there is a lively cash flow to finance other operations. It may be harder, however, to convince investors that the company has truly moved "up-market", although offering management advice to credit and leasing businesses is the first step. Year end profits should reach £1.88m, but a prospective p/e of 16 is not particularly cheap.

Mainmet lifts profits by 58% midway

Substantial growth was achieved by **Mainmet Holdings**, USM quoted maker of energy conservation products, in the half year ended November 30 1987.

Turnover in the period rose 50 per cent to £2.41m (£1.6m) and pre-tax profits were up 58 per cent to £204,000 (£129,000). Basic earnings per 10p share came to 3.35p (2.43p) and when fully diluted to 3.15p (2.29p). The interim dividend is lifted to 0.75p, from a one for two scrip adjusted 0.5p.

Standard Chartered

Standard Chartered Bank expects to announce a buyer for Union Bank, its California subsidiary, towards the end of this month.

It is still involved in sale negotiations with an unnamed potential purchaser.

Company of Designers grows

BY ANDREW HILL

The Company of Designers, the design group floated on the Unlisted Securities Market in October, yesterday announced pre-tax profits up 16 per cent to £1.17m for the year to end-September, against £1m in 1985/86.

The group, which offers a range of skills from architecture to engineering, was due to join the USM the day after Black Monday. The flotation was delayed until a week later at a reduced price.

Yesterday's figures were just ahead of the flotation pre-tax profits estimate of £1.15m. Turnover increased 18 per cent to £6m (£5.1m) and earnings per share from 7.4p to 8.3p.

The money raised through the flotation - about £2m after expenses - has enabled the company to install computer-aided design equipment in its main offices and it plans to extend this programme to the rest of the company.

In the last three months the number of staff has grown by 10 per cent to about 290 and the company is looking at a number of potential acquisitions, ranging from small four or five-person architectural practices to practices with as many as 60 or 70 staff.

In the current year, the group is working on a £20m town centre redevelopment in Trowbridge, Wiltshire, and a project of similar size for Lancaster.

Mr John Taylor, chairman, said the company was being short-listed for an increasing number of major projects.

"There is no essential mystique in the enormous job - it's a question of breaking it down. But I would be very worried about letting the smaller jobs go. I think that would be fatal," he said yesterday.

● comment

Two-thirds of the company's resources are concentrated on architecture; but engineering, and landscaping, retail and interior design play important supporting roles. Mr Taylor likes to describe his multi-disciplined staff as general practitioners: appropriately some of the company's smaller commissions involve designing doctors' surgeries and Mr Taylor is loath to forsake the stability and local reputation which such jobs provide. But he is also hungry for a big commission - £100m is the figure mentioned. The problem is that major projects are slow to generate returns on the manpower invested, which is why small architectural commissions are likely to go on providing the Company of Designers' bread and butter. It will also be looking for acquisitions this year, perhaps extending its influence northwards, or even moving into areas such as property surveying and management. Growth is going to be relatively slow - pre-tax profits of about £1.4m are expected for 1987/8 - but with shares down 2p at 108p yesterday a prospective p/e of about 13.5 looks respectable.

BAT Inds/Farmers

Mr Patrick Sheehy, chairman of BAT Industries, has appealed to Mr Leo Denlea, chief executive of Farmers Group, to reconsider his refusal to meet to discuss BAT's $4.2bn (£2.4bn) proposed takeover offer.

In an exchange of letters released yesterday, Mr Denlea told Mr Sheehy that Farmers' rejection of a bid approach was not "simply posturing to elicit a higher price". He said Farmers wanted to remain independent, and no purpose would be served by a meeting.

In reply Mr Sheehy repeated BAT's readiness to discuss "all the terms of our proposal" and urged him to agree to a meeting. He repeated BAT's assurance that Farmers present management would continue to run the group after the merger.

BAT shareholders are being asked to approve the deal at a February 24 meeting.

Goldfields £17m Chile sale

BY KENNETH GOODING, MINING CORRESPONDENT

Consolidated Goldfields, mining finance group, has sold its Coipa silver-gold prospect in Chile for $30m (£17.12m) and a future royalty entitlement.

The buyer is Compania Nacional de Mineria (CNM), a Chilean concern controlled by Eike Fuhrken Batista. Consolidated TVX Mining, a Canadian public company which is in partnership with RTZ in a platinum project in Brazil, is to take a 49 per cent interest in CNM.

Consolidated Goldfields has been giving strong hints that it would be willing to sell assets to cut its debt burden which increased by a net $455m during the bid battle last year for Newmont Mining.

Newmont fought off an unwelcome approach by a group led by corporate raider Mr T Boone Pickens with the help of Consolidated which increased its shareholding in Newmont from 26 to 49 per cent.

Sigmex incurs losses of near £1m midterm

Sigmex International has failed to maintain the recovery reported last September when the group revealed record profits and growth in all sectors.

In the six months to end-December, the USM-quoted electronic systems group incurred a pre-tax deficit of £979,000 compared with a profit of £366,000 in the comparable period in 1986. No interim is being paid.

Mr John Massey, chairman, said the loss was due to delays and rescheduling of major contracts.

Turnover fell to £6.32m (£7.66m), resulting in an operating loss of £873,000 (£520,000 profit).

Raine expansion

Raine Industries, builder, contractor and shopfitter, has bought Bush Signs Group, shop sign manufacturer, for a maximum £1.6m.

There is an initial consideration of £750,000 and further payment is dependent on Bush's profitability in the year ended June 30.

Acquisitions boost Egerton to £7.7m

BY NIKKI TAIT

THREE MAJOR acquisitions during 1987 have helped **Egerton Trust**, construction, healthcare and property group, to pre-tax profits of £7.72m in the 12 months to end-December, compared with a restated £1.92m in 1986.

Of the three deals, US aggregates business Emaral has been acquisition-accounted, while figures from UK building company, G. Percy Trentham and US property and development group, Peters Hartel Corporation, have been merger-accounted.

Turnover rose from a restated £75.4m to £112.3m, and fully diluted earnings per share increased from 6.88p to 17.34p, after tax of £2.5m (£302,000).

The proposed final dividend goes up from 1.25p to 3.5p, making a total of 4.75p (1.75p). Egerton shares rose a further 13p to 186p yesterday.

Within the profits total, £4.36m came from US interests. However, Mr Frank Sanderson, chairman, said that exchange rates had only a marginal effect on trading figures and that the company is confident of riding out any downturn in US building activity.

In the UK, housebuilding suffered problems at a Kent site, when the main contractor went into liquidation, delaying profits from the development. Sheltered housing, however, exceeded expectations and healthcare is expected to move into profit in the current year.

Below the line, Egerton incurred a £1.37m extraordinary charge, representing one-off depot closure costs at Trentham.

Yesterday, Egerton said that two acquisitions were currently under consideration. One is for an unspecified company in the UK; the second, around $15m (£8.56m) involves a second aggregates business in the US.

● comment

When companies use both merger and acquisition accounting, shareholders can only despair. Still, Egerton was doing its best to be helpful. Of the £7.72m profit, £3.19m comes from Emaral's seven-month contribution, a figure which flatters somewhat given that most of the US group's profits are made in the second half; in 1986, on similar exchange rate translation, Emaral made just under £3m. Egerton's remaining £4.53m profit takes in full-year contributions of £1.2m from Peters Hartel Corporation, and £1.6m from Trentham. Their contribution to the restated 1986 profits was just under £900,000, which suggests a 68 per cent improvement in existing business. That said, Egerton seems unlikely to stand still long enough for organic growth to become a burning issue. On the trading front, the extent of the Stateside exposure could become a niggling worry - although, at present, Egerton seems sanguine. It is even confident that the upmarket "English Village" development at Cape Cod should escape possible recessionary forces thanks to novelty value. With healthcare expected to be back in profit in 1988 and assuming 20 per cent growth on the US aggregates side, the company's own brokers, Capel-Cure, forecast around £11m this time, although others were pitching somewhat lower. A few more acquisitions, however, and it could all be rather theoretical.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetables.

TODAY

Interims- Amstrad, Elbef, Peachey Property, Personal Computers.
Finals- Griqualand Diamond Mining, Kennedy Brookes, Scandinavian Bank, Splash Products, TACE.

FUTURE DATES

Interims-	
Courtney Pope	Feb 19
Hard Rock International	Feb 16
Highland Electronics	Feb 19
Victor Products	Feb 29
Finals-	
BPP	Feb 24
Biomechanics	May 31
Capital and Counties	Feb 23
Charterhall	Feb 18
Cresta	Feb 18
Foreign and Colonial Inv	Feb 23
Metal Bulletin	Feb 23
Stat-Plus	Feb 25
Stoefley	Mar 28
TR Industrial & Gen Tst	May 30
United Biscuits	Mar 16
Watmoughs	Mar 17
Yorkshire Chemicals	Feb 23

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding div	Total for year	Total last year
Egerton Trust ....fin	3.5†	-	1.25	4.75	1.75
Fleming American....fin	1.06	-	1.06*	1.56	1.56*
Harvey Thompson ...int	3	-	2.5	-	8.5
Kleinwort O'seas.......fin	1.6	-	1.5	2.6	2.5
Mainmet § ....int	0.75	-	0.5*	-	1.33*
Reuters ....fin	5	-	3.75	7.3	5.5
TR City London ....int	0.64	-	0.55	-	2.32

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ♣Unquoted stock. ♥Third market.

Public Works Loan Board rates

Effective February 9

Years	Quota loans repaid by EIP†	At††	at maturity§	Non-quota loans A* repaid by EIP†	At††	at maturity§
1			9¾			10⅜
Over 1 up to 2	9¾	9¾	9⅝	10¼	10¼	10⅛
Over 2 up to 3	9¾	9⅝	9½	10⅛	10⅛	10⅛
Over 3 up to 4	9⅝	9⅝	9½	10⅛	10⅛	10⅛
Over 4 up to 5	9⅝	9½	9½	10⅛	10⅛	10⅛
Over 5 up to 6	9½	9½	9⅝	10	10⅛	10⅛
Over 6 up to 7	9½	9½	9⅝	10¼	10¼	10¼
Over 7 up to 8	9½	9⅝	9⅞	10¼	10¼	10⅜
Over 8 up to 9	9½	9¾	10	10¼	10¼	10⅜
Over 9 up to 10	9⅝	9¾	10	10¼	10¼	10⅜
Over 10 up to 15	9⅝	10	9⅞	10¼	10⅜	10½
Over 15 up to 25	9⅞	9⅞	9¾	10⅜	10½	10⅜
Over 25	9¾	9¾	9¾	10¼	10¼	10¼

*Non-quota loans B are 1 per cent higher in each case than non-quota loans A. †Equal instalments of principal. †† Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

هكذا من الاصل

Director of Finance and Administration

City — Negotiable package to £45,000

Our Client is a professional partnership with an international client base and operations both in the City and the North of England. They have identified, as part of their future strategy, the need to appoint a Director of Finance and Administration to play a crucial role in the future development of the Practice.

Reporting to the Operations partners, and a member of a small management group, your responsibilities will encompass strategic financial planning, budgetary control, computer systems development, personnel and general administration.

Candidates who are likely to be aged about 40 and who can demonstrate strong personal disciplines, tact, diplomacy and yet strength of purpose, will be Chartered Accountants with exemplary experience gained preferably in a large professional or financial service organisation. Good communication skills are essential.

Interested candidates who meet these demanding criteria, should send a detailed CV, including current salary, to Don Day, quoting reference LM674, at Spicers Executive Selection, 13 Bruton Street, London W1X 7AH.

SPICERS EXECUTIVE SELECTION
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

CHIEF ACCOUNTANT

£28,000 + Mortgage Car N. London

Our Client, a leading financial services company, can demonstrate a record of consistent growth both in volume and profitability. An experienced Financial Manager is required to ensure the highest standards of financial control. Managing and motivating 30 staff, the initial emphasis of this appointment is the development and implementation of new computerised systems. As part of the senior management team, you will also enjoy considerable commercial involvement. Suitable candidates, aged 28-35, will be qualified accountants with previous experience of implementing computer systems. You should possess extensive staff management experience and the ability to influence change.

FINANCIAL PLANNING

£25,000 + Mortgage Car N. London

High calibre individuals are sought to become team leaders within this divisionalised financial planning function. The department is a new one and is of prime importance to the future growth and profitability of this financial services group. Working within a small professional team, you will be responsible for the provision of management information relating to profitability and costs. This will involve the preparation of short term and long term management plans, budgeting exercises, scheme profitability reports, evaluation of potential joint ventures, and detailed reviews of current systems and procedures. Supervising both qualified and part-qualified staff, you should respond well to an exposed and pressurised environment. Suitable candidates, aged 27-32, will be qualified accountants, ideally experienced in analysis and PC work.

Please apply directly to Jeff Grout at Robert Half, Walter House, 418 The Strand, London WC2R 0PT. Telephone 01-836 3545 (evenings 01 948 4712).

ROBERT HALF
Financial Recruitment Specialists
London · Birmingham · Windsor · Manchester

Tax Expertise

Partnerships — £35,000-£40,000

Our Client is one of the leading firms of Solicitors in the City of London. Their pre-eminent reputation, growth record and future plans, promises an especially rewarding future for both legal and professional support staff.

Most of the personal and the partnership computations are undertaken in-house, including the calculation of appropriate tax reserves, and the subsequent agreement of liability with the Inland Revenue. A forthcoming retirement and the focusing of these and related personal tax planning activities of the Partners into one function, will create a unique and very demanding vacancy.

On appointment, a reappraisal of all existing practices and computerised procedures will need to take place. Support will be available both from the Finance Director, to whom the successful candidate will report, and from the very substantial specialist Taxation Department of the Firm.

Candidates will almost certainly be ATII's, and will need to have direct experience of the above. In addition, a high standard of professionalism and attention to detail will be required to deal and communicate clearly with a substantial number of Partners and the Partnership as a whole, which includes several overseas offices. Whilst maturity in age is preferred, very able, younger candidates with particularly relevant experience will also be considered.

Please write, in absolute confidence, to Peter Willingham, quoting reference LM684, at Spicers Executive Selection, 13 Bruton Street, London W1X 7AH. Alternatively, telephone him on (01) 480-7766 if you have outstandingly appropriate experience for this key appointment.

SPICERS EXECUTIVE SELECTION
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

FINANCIAL CONTROLLER (DIRECTOR DESIGNATE)

MIN £25,000 + CAR + OPTIONS — LONDON SW1

The principal operating subsidiary (T/O c£30m) of an acquisitive UK plc, the Company is a leader in the contract security industry. We have an outstanding growth record which is projected to continue. Operations are controlled from fourteen profit centres which are being brought onto networked systems.

The Controller will be responsible to the Group Finance Director for all aspects of the finance function (20 staff) and will be expected to make a significant contribution towards the commercial success of the business.

We want to meet qualified accountants, aged 28-40, who have broad financial management experience gained in a fast moving business. Excellent leadership qualities and interpersonal skills and an aptitude for computers are essential. The post will suit someone who likes to work under pressure and wants to progress fast.

Appointment to the Company Board is envisaged in the near future and prospects within the group are excellent. The attractive package includes future share options, a fully expensed executive car and usual plc benefits.

Please write with career details to Edward Dolby, Reliance Security Services Limited, Mountbarrow House, 12 Elizabeth Street, London SW1W 9RB.

RELIANCE SECURITY

SUCCESSFUL JOB SEARCH

ARE YOU A SENIOR EXECUTIVE SEEKING A NEW FINANCIAL APPOINTMENT?

We are the professionals who can advise and help you. *Since 1980,* Connaught's executive clients have accessed unadvertised vacancies, obtained interviews, found the right jobs and reduced job search time.

Contact us for an exploratory meeting. It is without charge and we will tell you if we can help and at what cost; it *may* be easier than you think. If you are currently abroad, enquire about our Executive Expat Service.

32 Savile Row, London W1X 1AG
Tel: 01-734 3879 (24 hours)

Connaught

Group Accountant

RTZ Cement Limited, a group of four cement making factories in the UK, require a Group Accountant.

Reporting to the Finance Director the Group Accountant will provide innovative Financial Management, appraise major Capital Projects and prepare Consolidated Management and Statutory Accounts for the Board.

The post carries responsibility for providing financial information on strategic issues, acquisitions and disposals. Candidates must have had practical experience with computers and financial modelling.

The cement industry, having ended its Common Pricing Agreement in 1987, offers real and exciting challenges in an increasingly competitive environment and the Group Accountant will be expected to make a significant contribution to the planning of appropriate strategies to meet those challenges.

RTZ Cement — RTZ GROUP

Applicants are asked to write, enclosing a CV to: Mr R Tomlinson, RTZ Cement Limited, Trinity Court, Priestgate, Peterborough PE1 1DF

DIVISIONAL CHIEF ACCOUNTANT

This is an outstanding opportunity for a high calibre individual to join an established, well-run expanding Group involved in international marketing of high technology products, at a most interesting period in its development.

The principal functions of the position are the control of all accounting and reporting requirements of the Division. Promotion to Director level is anticipated for a person showing the necessary drive and ability. The location is Aylesbury in new purpose built premises.

The successful application will be a qualified Accountant, probably aged between 30 and 40, with experience in small/medium sized companies. Salary will be negotiable around £24000, plus a car and a full range of benefits, including opportunities for international travel.

Please write with full details of career to date, remuneration packages and reasons for leaving to Box A0821, Financial Times, 10 Cannon Street, London, EC4P 4BY.

International Appointments

Vice President/Consultant
International Treasury Management
Leading Swiss Bank

Our client is the general management of a leading Swiss bank with an expanding network of foreign subsidiaries, branches and agencies. The mechanisms connected with worldwide support for international enterprises are being actively developed in the Zurich head office on the basis of the needs of modern Treasury Management.

The resulting environment provides a project leader personality with financial management (consultancy) qualifications and experience with two areas of great potential development: active marketing on an international level and the introduction of complex treasury management systems and services.

Successful candidates will have a degree or recognized financial qualification, above-average analytical and communication skills, an excellent marketing background and/or thorough knowledge of financial products. They will need to show good international skills, business acumen and motivational ability since the positions involve working with all levels of the customer's and the bank's organizations. Knowledge of English and German (French) is essential.

In return for you skills, drive and commitment to the constantly growing challenge of financial management, our client offers the kind of remuneration package you would expect from a leading Swiss bank - plus a highly exciting and demanding environment in which to develop your career.

We will provide further information during a personal meeting against an assurance of absolute confidentiality. Write to the independent recruitment consultant: W. Rubin (Telephone: office 01/202 65 75 or home 01/761 79 11.

R & C - Executive Recruitment Ltd., CH-8039 Zurich, P.O. Box, Freigutstrasse 24, Phone 01-202 65 72

Finance director — Hays

Aldershot, £40K + bonus and car

C&L

Hays Distribution Services Limited and its subsidiary companies, a division of the Hays Group, is one of the largest third party distribution companies in the UK. The organisation has grown rapidly and is now repositioning itself for an ambitious programme of growth, both organically and by acquisition.

To cope with these developments the Company wishes to appoint a strong and effective Finance Director to ensure appropriate financial business disciplines are followed. An immediate task will be to appraise the effectiveness of the finance function, introducing any necessary changes. As a member of the Board, the person will be required to actively contribute to the commercial direction and management of the Company and will be actively involved with customers and acquisition negotiations.

The person appointed will be a qualified accountant with a progressive record of commercial achievement; already working at a senior level, he or she is unlikely to be under 35 years of age. The anticipated level of external contact, as well as the need to influence and advise colleagues, calls for a person with charisma and extremely well-developed interpersonal skills: these personality attributes will be of paramount importance when selecting the person to be appointed.

Salary is unlikely to prove a barrier to the appointment of the right person. The job carries with it the benefit of a fully expensed executive car, together with Pension, Life Insurance and BUPA cover for the family. Relocation assistance will be available where required.

Please send résumés, including a daytime telephone number, or telephone for a preliminary confidential discussion, to Janice Walden, Ref: JW 861.

Coopers & Lybrand Executive Selection

Coopers & Lybrand
Executive Selection Limited
Shelley House 3 Noble Street
London EC2V 7DQ
Tel: 01-606 1975.

Finance Director

Internationally acquisitive group — £40,000 plus

This £70m turnover UK industrial group is embarking on a major acquisition programme, particularly in Europe and the U.S., to add to an already well-established network of overseas subsidiary companies.

The position arises through imminent retirement. The new Group Finance Director will play a vital part in implementing this planned expansion in addition to all the normal responsibilities of the role. Frequent and regular overseas travel will be required, especially in the first two years.

Candidates must be Chartered Accountants, ideally FCA's, with Board level experience in an international manufacturing group with overseas subsidiaries and have proven expertise in identifying, assessing and negotiating with potential acquisitions. Preferred age range mid to late thirties.

Basic salary will be c.£35,000 and there is a substantial and achievable bonus together with share options. Benefits include car and relocation help. Base 50 miles or so West of London.

Please send career details – in confidence – to A. D. Percival.

Ravenscroft & Partners
Search and Selection
20 Albert Square, Manchester M2 5PE

POTENTIAL PARTNER
c£25,000
CENTRAL LONDON

Young three Partner Practice seeks tomorrow's Partner. You will have qualified with a small/medium firm and will now be seeking a vehicle for your talents.

Contact David Paton on 01-734-4836, alternatively write to:

Search & Selection Division,
Finance Recruitment,
2/3 Golden Square, London, W1R 3AD

ACCOUNTANT REQUIRED
CROYDON AREA

To assist in the running of the accounts and office procedures of a busy heating company. Would suit a retired/part-time person.
Salary negotiable.

FENHORN LIMITED,
59 Lower Addiscombe Road,
Croydon, Surrey, CR0 6PQ.
Telephone 01-655-1699.

Full or Part-Qualified

Experience the challenge of retail

Hertfordshire

Rapid change, dynamic growth, major investment, and scope for individual responsibility – these are just some of the challenges to be experienced with Rumbelows, one of the UK's leading names in electrical retailing. A highly profitable member of the Thorn EMI group of companies, with over 450 outlets and sales of £300m+, we are growing from strength to strength.

To help us manage our consistent growth and ensure we achieve our long term goals, we are keen to talk to fully or part-qualified accountants with the skills and personality to make a long term impact on the business.

Manager – Management Accounting — c. £20K + car

Reporting to the Financial Controller, you'll be responsible for the preparation of monthly/yearly budgets, cost centre performance analysis and P & L information for all of our retail outlets.

Fully qualified, you should have experience of budgetary control and P & L accounts. Specific exposure to mainframe/micro computer systems and the ability to lead a small team are essential requirements.

Financial Accountant — c. £16K + car

With 3 or more years' experience of nominal and bought ledger mainframe systems, you'll be closely involved in the preparation of statutory accounts and nominal ledger activities.

To succeed, you'll be fully or part qualified (stage 3), with previous experience of supervising a small team. Experience of PC's and spreadsheets would be an advantage, but is by no means essential.

In return, we offer a wide range of benefits including contributory pension scheme and relocation assistance where appropriate. The career prospects are what you would expect of a highly successful leader in the electrical retail business.

In the first instance, contact **Linda Blythe** on (0992) 31988 or alternatively send a brief CV, stating salary and career details to her at **Rumbelows Limited, Trinity House, Trinity Lane, Waltham Cross, Herts.**

RUMBELOWS

Wheat self-sufficiency brings problems in Brazil

BY OUR SAO PAULO CORRESPONDENT

BRAZIL IS at a loss over what to do with a large wheat surplus expected for this year. The country has at last attained self-sufficiency in wheat, but must still honour long term imports contracts with Argentina and Canada.

Farmers in the wheat growing regions of Southern Brazil want the Government to delay the imports. The first consignments of Argentine wheat are to be shipped soon. Under a five-year contract, Brazil must buy 1.45m tonnes of Argentine wheat this year. Brazil will also import 750,000 tonnes of Canadian wheat later in the year. The Canadian contract expires this year.

When federal officials signed the accord with Argentina in 1986, they did not expect domestic production to increase rapidly. Argentina is to supply rising amounts of wheat, reaching 2m tonnes by 1991. However, last year Brazil produced 6.2m tonnes and officials forecast this year's harvest as 6.5m, the same as domestic consumption.

The surplus wheat could either be stored or re-exported. However, Pedro Simoes, an agriculture official in Parana, the largest wheat growing state, says there is no spare capacity in granaries to hold the surplus.

Mr Simoes says Brazil could possibly export the excess wheat. Brazil is paying $95 per tonne for the Argentine wheat, whereas world prices are now 20 per cent higher. Mr Arnobio Carvalho, a federal wheat official, said the idea of re-exporting the surplus, "is being discussed."

He said Brazil could also ask the Argentines to substitute the wheat with maize, since Brazil expects a maize shortage this year. Argentina could then export the wheat itself.

Brazilian wheat producers are now mounting pressure on Brasilia to delay all wheat imports this year. Government policy over the past 15 years has sought to attain self-sufficiency in wheat for national security reasons. But wheat is difficult and expensive to grow in Brazil – a tonne of local wheat costs about a third more than imported wheat. The Government has therefore provided generous subsidies to offset high prices and output has trebled in the last five years.

The Finance Ministry says the costly 25 per cent wheat subsidy is no longer justifiable at a time of economic difficulty and wants to reduce local production substantially, replacing it with imported wheat.

Thai defaults anger rice trade

BY PETER UNGPHAKORN IN BANGKOK

A NUMBER of Thai rice traders have defaulted on their export deals because they failed to foresee a surge in prices and faced huge losses on forward contracts.

The defaults have angered foreign buyers, including the London Rice Brokers' Association, but Thai exporters counter that in the past their critics have also defaulted.

The disputes are only part of an extraordinary situation that has developed this year. Thailand's top position among exporters is likely to be usurped by the US, although at least one US exporter has bought from Thailand where supply is short in order to deliver to the Caribbean because rice obtained in the US would have been even more expensive.

In 12 months, most rice prices have doubled, mainly because of the droughts, and in some cases flooding, that have hit most of the world's major producers.

The Thai defaulters did not expect prices to remain strong. In November and December they signed forward contracts at lower prices expecting the newly harvested supply to weaken prices after the new year. As in previous years, they then expected to buy the rice sufficiently cheaply to allow profits when delivery was due.

Instead, prices continued to surge as supply fell considerably short of expectations. Only a handful of the largest exporters realised what was going to happen and stocked up

One well known exporter signed a contract in mid-1987 to supply Iran with high grade white rice at about $200 per tonne fob. When the time came to deliver the rice at the new year, it could only be obtained in Thailand at the equivalent of almost $300 per tonne fob.

A few larger exporters managed to re-negotiate deals, especially with Iran. They were prepared to forfeit performance bonds for 5 per cent of the value of their deals and Iran appeared to have recognised that even the bonds would not cover the increased cost of acquiring alternative supplies.

In a circular dated January 29, however, the London Rice Brokers' Association denounces "a good number of Thai exporters" for "a shameful performance" that had caused "enormous losses" for international traders.

Claiming that "the Bangkok market will not be same again," the association says "the whole trade has lost confidence" in Bangkok.

Some Thai exporters claim that the London brokers have in the past defaulted on purchases in reverse circumstances causing one exporter to go out of business in 1986. Some allege that the British have exaggerated the complaint in order to explain their own delivery problems when supply is generally tight.

Others say reliable exporters should not be lumped with the defaulters.

Part of the confusion arises because of the lack of accurate assessments of the Thai harvest. The Government estimates the main harvest, which is now coming to an end, to have been about 15.45m tonnes of paddy (unmilled rice). This would leave Thailand with just over 2m tonnes of milled rice to export compared with last year's 4.36m.

Other estimates say the harvest was about 13m tonnes of paddy leaving perhaps as little as 1.3m to 1.5m tonnes of rice to export.

Philippines plans to rebuild stocks

BY RICHARD GOURLAY IN MANILA

THE PHILIPPINES will import 200,000 tonnes of rice, worth over $53m (£30m), over the next two months in order to rebuild stocks following a drought last year.

President Corazon Aquino approved the rice imports yesterday after stocks had fallen from 88 days of supply, considered a safe level, to 76 days in recent months. Light rains before the main harvest in October last year mean that reserves could fall quickly by June when 90 days of stock is desirable, National Food Authority officials said. Only a fifth of the country's rice production comes from the second annual harvest in March.

Low stocks lead to hoarding, profiteering and politically awkward rises in prices.

Mrs Aquino assured the public that there is no shortage of rice at present and that the imports were simply to replenish stocks. The rice will be bought from a number of sources, not just neighbouring countries, as stocks are low in other Asian countries as well because of light rains last year, a presidential spokesman said.

Last month the Government estimated that 250,000 tonnes would be needed to replenish the stockpile but the figure was revised after a review showed 1987 production was around 8.6m tonnes.

Genetic engineering may boost wool clip

By Chris Sherwell in Sydney

AUSTRALIAN scientists hope to boost wool production by up to 5 per cent as the result of a breakthrough in research on plants eaten by sheep.

"The development has attracted attention because wool is currently fetching record prices and has just overtaken coal as the country's biggest export earner at more than A$5bn (£2) a year.

But the work is some years off the stage where Australian wool output and prices will be affected. For the moment its significance is mainly scientific.

The research is based on the fact that wool is essentially a protein, the growth of which depends critically on the amounts of sulphur-rich amino acids sheep extract from grass and digest.

Under laboratory conditions, the introduction of a sulphur-rich compound into a sheep's stomach can increase wool production by up to 30 per cent.

The work by a team of five full-time scientists at the department of plant industry of CSIRO, Australia's biggest research organisation, aims to achieve a similar effect naturally by genetically altering the food sheep eat.

So far they have succeeded in transferring a gene which produces sulphur-rich amino acids into lucerne. The gene has been isolated from a pea seed and then reconstructed so that, in lucerne, it produces a leaf protein.

As an added bonus, this protein is resistant to break-down in the sheep's rumen, or first stomach. Normally there is some wastage of sulphur-rich proteins before they reach the sheep's true stomach.

The scientists are using lucerne because it provides the best target for transferring plant genes, but they would still like to increase the level of expression of the transferred gene in the lucerne.

They also want to perform the technique with subterranean clover, which is more extensively used in the pastoral industry.

Progress will therefore take time. To grow the new plants will also require government approval and supervision because of the gene-splicing techniques involved.

Once grown – in a special A$1m glasshouse – the product will still have to be tested on grazing sheep. It may also be that different strains of lucerne or clover will be preferred.

The scientists have yet to publish their work, which is thought to be one of the first practical demonstrations of gene-splicing techniques using plants. On their estimates, it could be worth several hundred million Australian dollars a year in extra output.

FT correspondents examine problems caused by uneconomic prices

China blamed for tungsten crash

BY KENNETH GOODING IN LONDON

EUROPEAN producers of upgraded tungsten products are still threatening to charge China with dumping the metal and are close to presenting their case to the European Commission.

However, the industry also wants to build "a constructive bridge" between itself and the Chinese, the world's biggest tungsten producers, and this is one of the main objectives of a new trade association, the International Tungsten Industry Association.

About two thirds of the companies involved in the tungsten industry – miners, upgraders, consumers, traders and assayers – are members of the ITIA, including three from China.

However, the most important Chinese group, Minmetals (the China National Metals and Minerals Export-Import Corporation), has still to be persuaded to join.

The European industry claims that the Chinese have depressed the price of tungsten – used to harden steels and for light bulb filaments – to such an extent that nearly every mine in the western world has been forced to close.

One side-effect of this was that the producers' organisation, the Primary Tungsten Association, was permanently dismantled in December last year.

The new association has a much wider brief and its 57 member companies include most major consumers (with some conspicuous Japanese exceptions) as well as the major miners.

European producers remain sceptical about the chances of the Chinese authorities getting tungsten exports under control.

"Theoretically, a licence is needed for all tungsten exports from China. But only time will tell if this is really effective," said Mr Jocelyn Waller of Charter Consolidated, the UK-based group which owns the EC's one remaining tungsten mine, Beralt in Portugal.

He said the price of tungsten concentrate, which fell from $140 a tonne unit (10 kgs) five years ago to $40 last year, had moved up to $50 but this was still an uneconomic level. The industry needed a price of at least $75 a unit to make a modest profit.

The industry was particularly concerned about the export of upgraded material, APT (ammonium paratungstate) and ferrotungstate, by the Chinese at exceptionally low prices, Mr Waller added.

Before it was disbanded, the PTA estimated that output of tungsten ores and concentrates in 1987 would be about 10,260 tonnes from non-socialist world producers, a substantial decline from 15,195 in 1986 and reflecting mainly the closure of all Canadian and US mines, taking out 1,417 tonnes and 789 tonnes respectively.

Output in Australia, Spain, Japan, France, Brazil, Bolivia and Austria was also expected to fall.

The PTA forecast that western world consumption would be about 16,120 tonnes in 1987 and, after taking into account sales by the US General Services Administration of about 700 tonnes and net imports from the eastern bloc of 3,380. That would leave a shortfall of 1,420 tonnes.

The PTA suggested that this year the free market economies would produce even less tungsten –10,145 tonnes – and GSA sales would drop to 500 tonnes. Eastern imports were expected to remain steady, resulting in a higher net world shortfall of 1,525 tonnes.

Peking tries to repair the damage

BY LYNNE CURRY IN PEKING

CHINA is limiting exports of tungsten in an effort to reduce stockpiles abroad and drive up the international price, according to local traders.

In the wake of chaotic market conditions which led to a sharp drop in the value of the metal, Peking has in the last year set rigorous floor prices below which it will not authorise exports. The Government is also now closely controlling the quantity of the metal sold abroad.

In spite of these efforts, however, the recovery in the international tungsten market has been slow.

"If consumption remains at the same level as now, the price for tungsten will remain stable with small increases, but they will not be that much," said Yan Jie, a senior official at the China Non-ferrous Metals Import and Export Corporation (CNIEC).

In the past few years, the tungsten price has fallen dramatically. In the early to mid-1980s the metal rose as high as $140 per tonne unit (10 kgs), but then plunged in 1986 to about $30 to $35 per unit. The standard tungsten ore has since recovered to about $49 to $58.

This fall triggered the new Chinese policy, which has significant implications for a nation.

In the mid-1980s, when the Government announced its open door policy to the West, markets were decentralised and provincial traders and branch offices were allowed to sell directly abroad. Although export licences were granted, control was inefficient with no central organisation responsible for monitoring both the quantity and price of tungsten exports.

The result was a free-for-all, as individual Chinese organisations, in their eagerness to earn foreign exchange, undercut each other and drove the price down. Consequently, the country as a whole took in less hard currency.

With tungsten so oversupplied, traders in Hong Kong resold it at prices lower than those quoted by Peking. Provincial Chinese traders, however, were not badly affected by falling prices. The Government devalued the renminbi about that time and that cushioned the impact.

However, Minmetals, one of the big state metal trading companies, is reported to have experienced difficulties during that period, sources said.

As China's tungsten export market dissolved into chaos, demand for the metal in the West declined sharply – in line with the worldwide steel industry recession and the reduction in oil exploration (tungsten is used in the manufacture of drill bits).

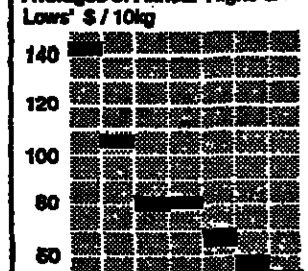
"When tungsten was being exported in such a chaotic manner, it was also faced with an oversupply situation and declining demand," one western trader noted. "Prices were falling below the cost of production."

The Soviet Union also played a significant role in the collapse of the market. As one of the biggest consumers of tungsten Moscow's purchases on the free market have in the past pushed prices up.

Two years ago, however, Peking and Moscow signed a trade agreement which stipulated that a basket of commodities, including tungsten, would be bartered on a government-to-government basis.

"This is a thorn in the side of the Chinese," one trader said. "Despite their efforts to control the tungsten price, if they don't force the Soviet Union on to the free market, it doesn't matter if they control the supply."

Tungsten Ore
Averages of Annual 'Highs & Lows' $ / 10kg



The tungsten market has also been unsettled by trade tensions between China and the US. As prices slumped, the US Government filed an anti-dumping suit against the Chinese, with US producers claiming that American mines were being forced to close down because of cheap Chinese imports.

Washington argued that Chinese exports of ammonium paratungstate (APT) surged from 9.6 per cent of the US tungsten market in 1985 to 16.1 per cent in 1986 and 28.6 per cent in 1987.

The US administration won the case and subsequently negotiated a five-year quota agreement with the Ministry of Foreign Economic Relations and Trade. The terms of the arrangement limit the volume of APT and tungstic acid that can be exported to the US.

One long-time trader observed that the agreement had a more far reaching effect than merely curtailing tungsten exports. He believed the Chinese were surprised that the Americans pursued the anti-dumping charge and insisted on implementing the new arrangement.

China has begun to realise that "orderly marketing is something that if you don't do voluntarily, it will be forced on you," he said, adding that Peking has had an isolationist view of its role in the market.

In spite of China's difficulties in exporting the metal, its tungsten production is underpinned by an expanding domestic steel industry. Traders said this would help to soften the impact of any further decrease in demand abroad.

Moreover, in an effort to boost foreign exchange earnings, Peking has taken concrete steps both to bolster tungsten prices and to clamp down on the freewheeling provincial traders who did so much damage in the past few years. Last March, the Trade Ministry helped to establish the Chinese Chamber of Commerce for the Export of Tungsten Ore and Tungsten Products, to regulate tungsten exports.

The Ministry has also tightened its control by sending officials responsible for issuing export licenses to Shanghai, Guangzhou, Dalian, and Tianjin. Their decisions to grant licenses are based on reports made by Minmetals and CNIEC, both members of the Chinese Chamber of Commerce.

"The restrictions have already had some success," one trader said. "It's hard to call up and get them to offer below the floor price. They are significantly aware at the provincial level that they hurt themselves and it doesn't behove them to offer much below the official price."

WORLD COMMODITIES PRICES

LONDON MARKETS

NICKEL PRICES ended afternoon trading with three-month metal at the ring high of $7,935 a tonne, a rise of $90 following Tuesday's $132 increase. Dealers said the weakness of the dollar continued to lift prices, with the market testing the $3.60 a lb chart point against a background of modest European merchant and Japanese consumer demand. Copper prices were also stronger, lifted by an upswing in New York, where values returned to test the psychological 100 cents a lb chart point for March after being under persistent pressure recently from stale bull liquidation, traders said. The 99.7 per cent aluminium contract was also ahead, helped by news of a 26,000 tonne fall in IPAI non-Socialist world stocks for December and confirmation of labour unrest at Norsk Hydro aluminium smelters. Meanwhile, sugar prices rose in the afternoon, with sentiment buoyed by recent Chinese raws purchases.

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$15.27-5.32z	-0.24
Brent Blend	$16.10-6.20	-0.30
W.T.I.(1 pm est)	$17.23-7.28z	-0.25
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$163-165	+0.5
Gas Oil (Soviet)	$136-137	-2
Heavy Fuel Oil	$71-73	-1
Naphtha	$153-155	+0.5
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$442.25	+2.50
Silver (per troy oz)♣	633c	+7
Platinum (per troy oz)	$463.00	+12.50
Palladium (per troy oz)	$122.50	+3.50
Aluminium (free market)	$2105	+30
Copper (US Producer)	110¾-113c	+2
Lead (US Producer)	36.00c	-1.50
Nickel (free market)	380c	+5
Tin (European free market)	£3860	-35
Tin (Kuala Lumpur market)	17.16r	
Tin (New York)	316.00c	
Zinc (Euro. Prod. Price)	$680	
Zinc (US Prime Western)	45.375c	+0.625
Cattle (live weight)†‡	107.45p	+2.83*
Sheep (dead weight)†‡	164.94p	+0.66*
Pigs (live weight)†	85.36p	+0.63*
London daily sugar (raw)	$216.00w	+2.40
London daily sugar (white)	$224.50w	+1.50
Tate and Lyle export price	£229.50	
Barley (English feed)	£109.50z	
Maize (US No. 3 yellow)	£135.50	
Wheat (US Dark Northern)	£98.55u	-1.20
Rubber (spot)▼	82.25p	-0.25
Rubber (Mar) ▼	86.25p	-0.25
Rubber (Apr) ▼	88.25p	-0.25
Rubber (KL RSS No 1 Mar)	280.00m	
Coconut oil (Philippines)§	$535.00w	
Palm Oil (Malaysian)§	$415.00	
Copra (Philippines)§	$370.00	
Soyabeans (US)	£153.00	
Cotton "A" index	67.65c	-0.60
Wooltops (64s Super)	575p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. w-Feb/Mar. z-Mar. u-Apr/May. x-Mar/Apr.† Meat Commission average fatstock prices. * change from a week ago. ▼ London physical market. §CIF Rotterdam.♣ Bullion market close. m-Malaysian/Singapore cents/kg.

COCOA £/tonne

	Close	Previous	High/Low
Mar	1045	1054	1060 1045
May	1068	1075	1080 1066
Jly	1088	1094	1100 1087
Sep	1108	1114	1119 1107
Dec	1132	1138	1144 1130
Mar	1158	1163	1168 1155
May	1176	1183	1187 1175

Turnover:5505 (6117) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for February 10: 1318.08 (1319.35) .10 day average for February 11: 1344.48 (1351.02).

COFFEE £/tonne

	Close	Previous	High/Low
Mar	1235	1240	1235 1222
May	1260	1262	1261 1249
Jly	1285	1285	1285 1273
Sep	1306	1309	1306 1020
Nov	1328	1334	1328 1320
Jan	1349	1356	1349 1344
Mar	1370	1380	

Turnover: 2911 (3074) lots of 5 tonnes
ICO indicator prices (US cents per pound) for February 9: Comp. daily 1979 119.27 (119.28): 15 day average 118.72 (118.45).

SUGAR $ per tonne

Raw	Close	Previous	High/Low
Mar	190.40	187.20	194.80 187.00
May	190.00	187.60	194.00 187.20
Aug	187.60	185.20	190.00 184.00
Oct	186.60	184.60	189.80 183.60
Dec	187.00	186.00	
Mar	188.00	186.80	190.20 187.00
May	190.00	187.80	191.00
White	**Close**	**Previous**	**High/Low**
Mar	226.50	224.50	240.00 228.00
May	227.00	225.00	241.00 223.50
Aug	229.50	227.00	230.30 226.50
Oct	229.00	227.50	231.00 227.20
Dec	230.00	228.50	
Mar	232.50	231.00	233.50 231.00
May	235.00	233.00	

Turnover: Raw 8891 (8249) lots of 50 tonnes. White 2468 (1489).
Paris- White (FFr per tonne): Mar 1300, May 1310, Aug 1325, Oct 1330, Dec 1330, Mar 1360.

GAS OIL $/tonne

	Close	Previous	High/Low
Feb	137.00	139.00	139.00 136.00
Mar	138.00	140.50	139.75 137.50
Apr	137.75	139.50	138.75 137.25
May	137.50	139.00	138.75 137.50
Jun	138.50	141.25	140.50 138.50
Jul	139.50	141.50	140.25 139.50

Turnover: 8807 (7001) lots of 100 tonnes

GRAINS £/tonne

Wheat	Close	Previous	High/Low
Mar	106.25	105.90	106.40 105.90
May	108.90	108.65	109.25 108.65
Jly	111.30	110.95	111.55 110.95
Sep	102.20	102.25	102.20 102.10
Nov	104.20	104.10	104.20 104.00
Jan	106.40	106.20	
Mar	108.40	108.30	
Barley	**Close**	**Previous**	**High/Low**
Mar	105.00	105.10	105.15 104.90
May	106.65	107.00	106.90 106.50
Sep	97.15	97.00	
Nov	99.80	99.85	99.80 99.65
Jan	101.95	101.90	
Mar	104.55	104.40	

Turnover: Wheat 453 (172) , Barley 123 (66) lots of 100 tonnes.

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Ring turnover 825 tonne
Cash	2090-110	2060-80		2100-10		
3 months	1925-35	1915-25		1910-25	1930-40	2,903 lots
Aluminium,99.5% purity (£ per tonne)						Ring turnover 13,425 tonne
Cash	1174-6	1175-80	1169	1166-8		
3 months	1088-8.5	1094-5	1092/1078	1083-4	1092-3	44,577 lots
Copper, Grade A (£ per tonne)						Ring turnover 59,925 tonne
Cash	1350-5	1319-20	1318/1310	1315-6		
3 months	1228-9	1191-2	1232/1190	1199-201	1231-2	71,324 lots
Copper, Standard (£ per tonne)						Ring turnover 0 tonne
Cash	1300-10	1280-90		1270-80		
3 months	1200-10	1160-70		1170-80		33 lots
Silver (US cents/fine ounce)						Ring turnover 0 ozs
Cash	627-30	619-22		628-30		
3 months	638-41	630-3		638-41	640-5	661 lots
Lead (£ per tonne)						Ring turnover 9,250 tonne
Cash	367-8	354-5	364.5/362	364.5-65		
3 months	344.5-45	337-8	346/337	342.5-43	343-4	11,926 lots
Nickel ($ per tonne)						Ring turnover 2,280 tonne
Cash	8240-50	8136-56	8250	8190-210		
3 months	7930-40	7844-6	7990/7890	7910-24	7980-90	9,345 lots
Zinc (£ per tonne)						Ring turnover 7,825 tonne
Cash	494-5	491-2	492/491.5	491-1.5		
3 months	499-500	498-8.5	500/497	497-7.5	498-9	12,207 lots

POTATOES £/tonne

	Close	Previous	High/Low
Feb	85.00	91.00	87.00 85.00
Mar	81.00	81.00	80.00
Apr	149.60	149.20	151.00 149.30
May	168.50	168.00	170.00 168.50
Nov	99.50	99.00	100.00
Feb	110.50	110.00	110.00

Turnover: 361 (336) lots of 100 tonnes.

SOYABEAN MEAL £/tonne

	Close	Previous	High/Low
Apr	127.80	127.80	127.70
Jun	122.30	122.50	
Aug	121.50	121.00	
Oct	122.80	122.60	
Dec	127.00	127.00	
Feb	129.00	130.00	

Turnover: 201 (36) lots of 100 tonnes.

FREIGHT FUTURES $10/index point

	Close	Previous	High/Low
Apr	1549.0	1581.0	1560.0 1540.0
Jly	1395.0	1410.0	1407.5 1386.0
Oct	1419.0	1436.0	1437.0 1410.0
Jan	1389.0	1395.0	1390.0 1349.0
BFI	1516.0	1514.0	

Turnover: 609 (734)

WOOL
Finer wool prices, which boomed last week, dipped a little at the first of this week's Australian sales but have since been reasonably steady. Crossbreds continued to show a good deal less strength than the finer ranges. Fashion and consumer expenditure, on knitwear and carpets, has been favouring the use of finer wools over crossbred types. Buying interest shown by the UK industry faded quickly with signs of a steadier market although there is no question of any collapse in confidence, and order books and activity are good. Bradford prices never fully matched peak wool prices and were quoted only a few pence lower than a week ago.

LONDON BULLION MARKET

Gold (fine oz)	$ price	£ equivalent
Close	442-442½	250½-251
Opening	443½-444	253-253½
Morning fix	443.80	252.130
Afternoon fix	441.10	250.839
Day's high	445-445½	
Day's low	440¾-441¼	
Coins	**$ price**	**£ equivalent**
US Eagle	455-460	258-261
Mapleleaf	455-460	258-261
Britannia	455-460	258-261
Krugerrand	440½-443½	249½-251½
1/2 Krug	232-241	131¾-136¾
1/4 Krug	118-128	67-71½
Angel	454-459	257¾-260¾
1/10 Angel	46-53	27¾-30
New Sov.	104-105	59-59¾
Old Sov.	104-105½	59-60
Noble Plat	470-475½	268¾-271½

Silver fix	p/fine oz	US cts equiv
Spot	359.55	632.25
3 months	367.60	642.70
6 months	376.45	653.65
12 months	394.55	677.35

LONDON METAL EXCHANGE TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Mar	May	Mar	May
1900				110
2000			60	
Aluminium (99.5%)	**Calls**		**Puts**	
1900		104		
2000	80½			
Copper (Grade A)	**Calls**		**Puts**	
2150		252		
2300	129			

US MARKETS

PRECIOUS METALS traded thinly, awaiting Friday's US trade figures, reports Drexel Burnham Lambert. Gold came under pressure from light trade selling. Silver, after an initial rally on trade buying, fell back on profit-taking. Platinum initially firmed on reports of a coup in Southern Africa, but eased back as gold fell. Copper was strong on fund and trade buying which touched off commission house stops. Energy futures eased as API statistics were viewed as being less bullish than expected. Long liquidation in the crude was the main feature, with the trade both a scale-down buyer and scale-up seller, though the market did hold support levels. Trade and commission house buying corrected a slight oversold situation in sugar. Resistance was met at 8.70c for March, whereupon buying dried up and prices fell back towards the lows. Cattle futures underwent a correction to recent strength despite firmer dressed beef prices. Hogs eased after intial strength reflecting concern over cold weather, as traders anticipated better supplies. Pork bellies were firm on short-covering. Soya oil eased on disappointed selling after India and Pakistan passed on offers.

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Feb	440.6	441.6	444.0	440.2
Mar	441.1	442.1	0	0
Apr	443.9	444.9	448.2	443.2
Jun	448.3	449.4	452.8	448.0
Aug	452.8	454.0	456.5	452.5
Oct	457.5	458.8	461.5	458.5
Dec	462.3	463.7	466.8	462.2
Feb	467.4	468.9	470.0	469.0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Feb	454.1	452.6	0	0
Apr	456.1	454.6	466.0	455.5
Jul	461.1	459.6	470.5	461.0
Oct	466.6	465.1	475.0	468.5
Jan	472.1	471.1	476.0	476.0
Apr	478.6	477.8	0	0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Feb	628.2	626.5	0	0
Mar	630.5	629.0	637.0	628.5
Apr	634.2	632.7	0	0
May	638.6	637.1	645.0	637.0
Jul	646.5	645.0	652.0	645.0
Sep	654.0	652.5	657.0	655.0
Dec	666.4	664.9	672.0	664.0
Jan	670.1	668.6	0	0
Mar	679.3	677.8	683.0	683.0
May	683.0	686.8	0	0

COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Feb	108.25	102.00	106.50	102.00
Mar	101.70	97.10	101.90	97.50
Apr	97.60	92.70	0	0
May	93.60	88.30	93.90	89.10
Jul	85.70	80.90	85.30	82.00
Sep	82.70	78.20	82.20	79.60
Dec	80.70	76.20	79.50	77.40
Jan	80.55	76.05	0	0
Mar	80.20	75.70	78.50	77.40
May	80.20	75.70	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	Close	Previous	High/Low	
Mar	17.14	17.42	17.29	17.11
Apr	17.08	17.36	17.26	17.09
May	17.05	17.28	17.18	17.02
Jun	16.98	17.17	17.07	16.95
Jul	16.81	17.07	16.98	16.84
Aug	16.70	16.97	16.87	16.80
Sep	16.79	16.87	16.79	16.66
Oct	16.70	16.77	16.79	16.70
Nov	16.60	16.67	16.60	16.60
Dec	16.59	16.57	16.50	16.50

HEATING OIL 42,000 US galls, cents/US galls

	Close	Previous	High/Low	
Mar	47.30	48.60	47.90	47.25
Apr	46.35	47.48	46.95	46.30
May	45.45	46.48	45.95	45.40
Jun	44.86	45.93	45.40	44.96
Jul	44.90	45.88	45.30	44.90

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Mar	1704	1695	1725	1693
May	1735	1727	1756	1727
Jul	1765	1755	1775	1755
Sep	1792	1783	1807	1786
Dec	1827	1820	1839	1820
Mar	1860	1854	1856	1850
May	1881	1874	1885	1880

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Mar	136.90	136.57	137.18	136.20
May	139.88	139.37	139.75	139.10
Jul	141.70	141.40	141.70	141.00
Sep	143.29	143.40	143.85	142.75
Dec	145.50	145.74	145.50	145.24
Mar	146.18	146.00	146.05	146.00
May	147.18	147.00	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Mar	8.44	8.19	8.70	8.38
May	8.40	8.31	8.62	8.36
Jul	8.28	8.22	8.48	8.23
Oct	8.26	8.17	8.43	8.20
Jan	8.04	7.95	0	0
Mar	8.30	8.27	8.50	8.29
May	8.37	8.41	8.55	8.54

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Mar	61.48	61.82	62.10	61.10
May	61.97	62.25	62.70	61.80
Jul	62.47	62.85	63.10	62.10
Oct	60.75	60.60	61.10	59.80
Dec	59.50	59.45	59.90	58.70
Mar	60.60	60.56	60.40	60.02
May	61.05	60.65	0	0

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Mar	168.30	168.90	168.90	166.30
May	163.80	162.90	164.00	162.25
Jul	162.00	162.05	162.50	161.70
Sep	159.75	161.50	162.00	159.55
Nov	160.25	161.25	161.00	160.50
Jan	157.60	159.25	157.50	157.00
Mar	157.60	159.25	0	0
May	157.60	159.25	0	0
Jul	157.60	159.25	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

Feb 9	Feb 8	mnth ago	yr ago
1750.5	1756.2	1755.0	1611.5

DOW JONES (Base: December 31 1974 = 100)

Spot	129.40	129.56	133.86	116.42
Futures	133.19	132.88	136.06	117.12

Chicago

SOYABEANS 5,000 bu min: cents/60lb bushel

	Close	Previous	High/Low	
Mar	612/6	609/6	614/0	607/0
May	620/6	618/6	621/0	616/0
Jul	629/6	627/2	630/0	624/4
Aug	631/4	628/4	631/4	627/0
Sep	630/4	629/0	630/4	627/0
Nov	637/4	636/6	638/2	633/4
Jan	645/0	643/4	645/0	642/0
Mar	652/4	651/0	652/4	649/4
May	656/4	656/0	0	0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Mar	21.28	21.33	21.42	21.11
May	21.48	21.64	21.70	21.41
Jul	21.72	21.91	21.97	21.68
Aug	21.82	22.01	22.10	21.80
Sep	21.85	22.05	22.10	21.86
Oct	21.86	22.12	22.22	21.86
Dec	21.95	22.20	22.25	21.95
Jan	21.95	22.15	22.35	21.96

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Mar	178.0	177.4	178.4	176.6
May	177.9	177.5	178.0	176.3
Jul	179.5	179.1	179.8	178.2
Aug	180.8	180.5	181.0	179.5
Sep	181.5	181.2	182.0	181.0
Oct	182.5	182.5	182.5	182.0
Dec	183.5	183.7	184.6	183.5
Jan	185.2	185.2	185.0	185.5

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Mar	202/6	203/4	204/0	200/6
May	208/6	209/0	209/4	207/0
Jul	212/4	212/2	213/0	210/4
Sep	214/4	214/0	215/2	213/0
Dec	218/0	218/2	218/4	216/0
Mar	224/6	225/0	225/0	223/0
May	228/6	229/2	229/0	227/2

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Mar	330/6	331/0	331/6	326/2
May	333/6	333/2	334/4	329/4
Jul	329/2	325/4	329/4	323/4
Sep	332/0	328/0	332/0	327/0
Dec	342/4	337/4	342/4	337/0
Mar	343/0	342/4	343/0	340/0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Feb	72.07	72.20	72.57	71.82
Apr	72.10	72.57	72.65	71.80
Jun	70.27	70.92	70.85	70.15
Aug	67.85	68.27	68.27	67.60
Oct	66.82	67.20	67.30	66.55
Dec	67.05	67.52	67.60	66.97
Feb	67.50	67.80	67.60	67.30

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Feb	48.57	49.07	49.20	48.30
Apr	46.62	47.20	47.35	46.50
Jun	49.80	50.00	50.35	49.45
Jul	49.45	49.70	49.86	49.30
Aug	48.35	48.87	49.15	48.30
Oct	43.40	43.85	44.00	43.30
Dec	43.90	44.20	44.10	43.80
Feb	42.96	43.00	43.00	42.75

PORK BELLIES 38,000 lbs; cents/lb

	Close	Previous	High/Low	
Feb	57.75	56.32	57.80	56.35
Mar	58.22	56.92	58.60	56.77
May	59.57	58.50	59.80	58.50
Jul	59.70	58.60	60.25	58.75
Aug	57.92	57.27	58.80	57.35

هكذا من الأصل

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday February 11 1988

News Corp issues $257m of Pearson convertibles

BY CLARE PEARSON AND RAYMOND SNODDY IN LONDON

NEWS CORPORATION, Mr Rupert Murdoch's international media concern, yesterday sharply reduced the cost of holding its 20 per cent stake in Pearson, the diversified industrial group which publishes the Financial Times, by issuing $257m worth of preference shares convertible into Pearson shares.

But News Corp still retains complete flexibility over the fate of the affected Pearson shares since it may choose to pay investors the cash equivalent rather than the shares themselves if shareholders exercise their right to convert the preference shares.

Pearson was relaxed about yesterday's development and saw it as a rational attempt by Mr Murdoch to reduce the financing costs of his stake in the company. It was not being seen as a move which altered Mr Murdoch's investment relationship with Pearson or gave any new clue to his ultimate motives.

The 10-year issue, convertible into a maximum 40 per cent of News Corp's stake in Pearson, is being launched in dollars and Swiss francs. The issue is being made in the name of News Publishing Finance, a wholly-owned subsidiary.

The dollar tranche raises $150m, with the shares paying a dividend of between 5 and 5¼ per cent, while the SFr150m ($107m) tranche pays between 2 and 2¾ per cent. Both are convertible into Pearson shares at a price to be set on or before next Thursday, at a premium of between 24 and 26 per cent over the closing Pearson price on that day.

Pearson shares yesterday rose 10p to 709p.

One London analyst estimated that the dollar- and Swiss franc-denominated preference shares could reduce the company's interest charges on the affected shares by about 60 per cent.

Yesterday's move recalls a similar News Corp financing in May 1986, when the company sold $130m worth of preference shares enabling it to dispose of much of its holding of Reuters "B" shares at a high profit.

But General Cinema, the US theatre and softs drinks bottler, last May set the trend for borrowers retaining the choice to give investors cash or the underlying shares with a $100m Eurobond convertible into its shares in Cadbury Schweppes, the British food and drinks company.

BZW appoints Band as chief

BY DAVID LASCELLES, BANKING EDITOR, IN LONDON

BARCLAYS de Zoete Wedd, one of the UK's leading investment banks, announced yesterday that it has decided to appoint a new chief executive: Mr David Band, a senior officer of Morgan Guaranty Trust Co of New York.

Mr Band, who is 45, replaces Lord Camoys who will remain deputy chairman of BZW. Lord Camoys, 46, suffered a stroke last year, and although he has made a good recovery, it was felt necessary to strengthen BZW's management with a new appointment.

Sir Martin Jacomb, BZW's chairman, said yesterday "Managing this business is a complex and demanding task. It will be a great advantage having a deputy chairman who is not involved in line management, as well as a new chief executive."

Mr Band, who was born in Edinburgh, has spent most of his career with Morgan in Europe, New York and the Far East. He has extensive experience of the global capital markets, and was most recently chairman of J.P.Morgan Securities Ltd., the bank's London-based securities business. He is also deputy chairman of the Securities Association, the self-regulatory organisation of the UK securities industry.


Lord Camoys: stepping aside after stroke

The appointment was well received in the City of London yesterday where Mr Band is well known, and where Morgan has a reputation for the high quality of its staff.

"It's quite a catch for BZW," said Mr Brian Garraway, senior finance director and deputy chairman of BAT Industries which has just raised $3.2bn with Morgan Guaranty's help to finance a takeover bid for Farmers Group, the US insurance company. He described Mr Band as "hard-working, intelligent and very personable."

BZW, which is part of the Barclays Bank group, was formed two years ago for the Big Bang and has since emerged as one of the City's largest merchant banking and securities conglomerates. Although it lost large sums of money in the market crash last October, it is believed to be operating profitably again. Sir Martin said yesterday that the group's strategy of becoming a major international investment bank was unchanged.

Generali lifts stake in Midi to over 9%

By George Graham in Paris

ASSICURAZIONI Generali, Italy's largest insurance company, has taken a stake of more than 9 per cent in Compagnie du Midi, the French diversified insurance group which recently took over Equity & Law of the UK.

The announcement refuelled speculation over the future of Midi, whose shares group has been among the most heavily traded in the French stock market in the last three months.

The company, run by Mr Bernard Pagezy, has its capital more widely spread than many French groups which have sought to build up "hard cores" of friendly shareholders.

It has been viewed as one of the most likely French takeover targets since the worldwide collapse in share prices in October.

Generali, Europe's third largest insurer with L7,541bn ($6.2bn) of gross premiums in 1986, took a 4.98 per cent stake in Midi in November, with Mr Pagezy's agreement.

A Midi official said yesterday that the company had not been consulted before the latest increase.

The purchase was conducted by Lazard Frères, the French merchant bank. Paris dealers said, however, that at least two other large buyers were also accumulating Midi shares.

Until now the main known shareholder of Midi has been Caisse des Dépots, the state financial institution.

Together with shares held by companies controlled by the group, principally La Paternelle, the "hard core" represents 22 to 23 per cent of Midi's capital. More than half of these shares have double voting rights.

Midi's main operating arm is its separately quoted insurance subsidiary Assurances Générales de Paris (AGF), one of the most profitable French insurance companies with gross premiums of FFr8.3bn ($1.44bn) in 1986 and a focus on motor and accident insurance.

It also has brewing, cement and transport interests and has recently expanded its banking and financial services activity with the acquisition of Meeschaert Rousselle, France's largest stockbroker.

Mr Pagezy has often warned, however, that France's insurance companies are too small to confront their much larger British and West German competitors.

He had hoped to merge with the still nationalised AGF, but when this proposal was rebuffed by the Government he chose to expand outside France, paying £457m ($808.8m) last autumn for Equity & Law.

Midi's share price halved after the financial markets crashed in October, plunging to a low of FFr750. In the last two weeks, however, the shares have risen by nearly 50 per cent.

In yesterday's session, Midi fell FFr63 to close at FFr1,305, despite a generally rising market.

Anatole Kaletsky surveys the mood among leading securities houses

Wall St starts to tear itself apart

ONE WOULD have thought the prospect of continuing to earn millions of dollars annually at a time when people all around are losing their jobs, would be sufficient to quell dissent in the upper ranks of the US securities industry.

But stockbroking and investment banking have always been known as "people businesses."

This means not only that Wall Street firms depend on the abilities of individuals rather than machines, but also that pride and passion frequently overrule reason and calculation in the way they are run.

It should be no surprise, therefore, that several top Wall Street investment houses have started to tear themselves apart precisely at the moment of their greatest vulnerability to elemental dangers beyond their control.

Tuesday's announcement of the second top-level shakeup at Salomon Brothers in six months, accompanied by the resignation of the firm's chief financial officer, bore eloquent testimony to this.

It came just one day after the firm revealed a net loss of $74m in the fourth quarter and Mr John Gutfreund, the firm's aggressive chairman, found himself forced into the humiliatingly defensive step of instituting a "poison pill" shareholder rights plan to ward off the possibility of a hostile takeover.

Only a week earlier, a far bigger management row had ripped First Boston open, as the firm's celebrated mergers team, led by Mr Bruce Wasserstein and Mr Joseph Perella, abruptly resigned.

It was again symptomatic that First Boston had announced a 92 per cent decline in its net earnings for the fourth quarter the day before Mr Wasserstein dropped his bombshell.

The mergers team's essential complaint was simple. They were making practically all First Boston's money, so why were the firm's loss-making traders denying them a corresponding share of the power?


Mr Peter Cohen, head of Shearson Lehman Bros


Mr John Gutfreund:Forced into poison pill defence

It is this kind of internal dissent, rather than the actual losses sustained on Black Monday, that seems to pose the greatest threat to the future of the US securities industry in the wake of the stock market crash.

Indeed, the actual results announced by the leading US brokerage houses in the past few weeks have been no worse than expected.

Apart from E.F. Hutton, no major Wall Street firm has been forced out of business or even into serious financial jeopardy as a result of the crash. While every publicly traded securities company announced losses or very sharply reduced profits in the fourth quarter, most managed to turn a profit for the year as a whole.

Morgan Stanley, now widely regarded as the best managed firm on Wall Street, even reported a 15 per cent advance in net annual income to $231m.

Summarising the 1987 results, Ms Brenda McCoy of PaineWebber concludes: "It was obviously a lousy fourth quarter and it was hard to tell what was really going on with all the crazy things in every firm's earnings – asset sales, arbitrage losses, the British Petroleum underwriting, accounting changes.

But considering what the markets have been through, the results weren't all that bad."

As for the prospects for the year ahead, Mr Perrin Long of Lipper Analytical says he has not talked to a single Wall Street management which expects 1988 revenues to be higher than they were on average in 1987.

How many of the firms manage to make higher profits on these lower revenues will depend on their mix of business and the quality of their management.

Mergers and acquisition business is still strong and bond trading has recently become a major earner again, as interest rates have moved sharply downwards. But these businesses, in addition to being vulnerable to many of the same economic forces which have shattered equity trading, are simply not big enough for most firms to compensate for the equity trading and underwriting slump.

In general, analysts are sceptical about the possibility of Wall Street firms managing themselves to higher profits in the midst of a bear market.

The average estimate of brokerage industry profits, as surveyed by the Institutional Brokerage Estimate System of Lynch Jones and Ryan, predicts an 11.2 per cent decline in earnings per share in the next fiscal year, on top of last year's 36 per cent decline.

But forecasts of revenues or earnings, whether they prove accurate or not, can give no real measure of the potential problems facing Wall Street – for these relate as much to management and people as they do to money.

The first portent of what could turn out to be a "worst-case-scenario" for the street's fate in a long-term bear market came more than three years ago, when the first revelations began to leak out about a major administrative scandal at E.F.Hutton.

Instead of rallying round to defend Hutton, at that time one of the proudest and most successful US brokerage houses, the firm's management quickly embarked on a vicious internal war.

Its organisation disintegrated and soon Hutton was staggering from one financial disaster to another – a rake's progress which culminated last December with Hutton's takeover by Shearson Lehman Brothers and the dimissal of 6,000 employees.

Most analysts believe the most painful part of Wall Street's internal restructuring is probably still to come.

After sacking their most dispensible workers, the so-called "A list," many firms are known to have compiled a "B list" of staff who will be laid off in the spring

Wall Street's management record does not inspire confidence in its ability to cope efficiently with human upheavals of this kind.

Financial chief quits Salomon, Page 17

Oce earnings depressed by strong guilder

By Laura Raun in Amsterdam

OCE-Van der Grinten, the Dutch photocopier maker, saw 1987 earnings fall 11 per cent against the previous year.

The decline, bigger than Oce had forecast in October, could continue this year as cost-cutting measures are not expected to produce positive results until 1989, the company said.

Earnings declined to Fl 75m ($39.4m) last year from Fl 84m in 1986 because of the low dollar and other weak currencies against the guilder. Spending was higher than expected on expansion of the US sales organisation and developments in new products and office automation.

Cost-cutting measures introduced in the final quarter of 1987 included lowering expenses involved in contracted goods and central services, boosted sales efforts and intensified quality control.

Revenue slipped 3 per cent to Fl 1.83bn in 1987 from Fl 1.89bn the year before on adverse currency movements and the sale of Oce-Andeno, a specialty chemical subsidiary.

Gas demand boosts Aga

BY SARA WEBB IN STOCKHOLM

AGA, the Swedish industrial gas group, reported a 20 per cent increase in profits (after financial items) to SKr1.01bn ($166.6m) for 1987 and proposes increasing the dividend from SKr4.5 to SKr5.25.

Operating profit increased 19.3 per cent to SKr1.1bn while group sales rose 13.7 per cent to SKr10.59bn, resulting from Aga's acquisitions and increased demand and higher volumes in the gas market.

Mr Jan Belfrage, finance director, said Aga's share in the European industrial gas market had been strengthened in West Germany, the Netherlands and central Europe by the acquisition of Rommenhöller's carbon dioxide operations.

He said the group's market share had risen from about 4 per cent to 10 per cent in France through the acquisition last year of Duffour et Igon.

The group's gas division showed a 17.8 per cent increase in sales to SKr5.72bn while operating profits rose 42 per cent to SKr810m. Mr Belfrage said that demand had been good, particularly from Latin America.

Higher Stop & Shop bid

BY OUR NEW YORK STAFF

DART GROUP, the Washington-based retailer with a record of unsuccessful takeover attempts, has raised its offer for Stop & Shop Companies by $6 a share to $37, valuing the New England supermarket and discount store chain at $1.03bn.

Stop & Shop's shares rose $2¾ to $36½ in early trading yesterday, reflecting the Wall Street view that control of the group could cost a bidder closer to $40 a share.

Dart, controlled by the Haft family, hopes, however, that its new offer will put pressure on Stop & Shop's board to agree to a takeover rather than seek an alternative, such as a recapitalisation. If the board rejects the offer, Dart might win over some institutional shareholders in case it decides to wage a proxy fight.

The Haft family, which holds a stake of about 3 per cent in Stop & Shop, has had to put up some $200m towards the financing of the offer. Paine Webber, its financial adviser, has said it is confident it can raise the balance in bank lending or private placement of securities.

Hanson's £69m Armitage offer lapses

By Andrew Taylor in London

A £69m ($124m) agreed bid by Hanson, the large industrial conglomerate, for George Armitage, one of Britain's oldest brick manufacturers, lapsed yesterday after being referred for investigation to the Monopolies and Mergers Commission.

The reference follows a string of takeovers of small to medium sized British brick manufacturers by larger companies.

Hanson already owns London Brick, the country's biggest brick manufacturer, and Butterley Brick, a smaller, quality brickmaker. It produces around 40 per cent of all British bricks.

Bergen Bank earnings fall

By Karen Fossli in Oslo

BERGEN BANK, Norway's third largest bank, has reported preliminary results for last year which show a drop in the bank's profits after year-end allocations to NKr500m ($78m) compared with NKr921m in 1986.

The bank said the decline was primarily due to NKr480m in "identified" losses, mainly from loans and share trading. Operating profit before tax and year-end adjustments fell to NKr1bn compared with NKr1.2bn in 1986.

Bergen Bank shares dropped NKr2 on the Oslo bourse on Tuesday to close at NKr138.

Goodyear up to $771m

BY OUR NEW YORK STAFF

GOODYEAR, the biggest US tyre and rubber goods manufacturer, reported sharply higher profits with overseas sales and income rising particularly sharply in response to the lower dollar.

Goodyear made net profits of $167m or $2.92 a share in the fourth quarter and $771m or $12.73 in 1987 as a whole. The previous year's results were affected by special charges and discontinued operations.

These produced a loss of $113m in the fourth quarter of 1986 and reduced that year's annual profit to $124m. After stripping out discontinued operations Goodyear said its net income in 1987 more than doubled to $5134m.

The company's operating income from tyres and related products almost tripled from $305m in 1986 to $851m last year. Sales of these products increased 9.2 per cent to $8.6bn. Unit sales volumes increased 6.5 per cent, with price rises accounting for the remainder of the revenue growth.

GTE slips despite 25% final-quarter gain

BY OUR FINANCIAL STAFF

GTE, the largest US telecommunications carrier outside the Bell System and manufacturer of communications and electrical products, reported a 25 per cent rise in fourth-quarter consolidated net earnings to $334.2m or 99 cents a share, up from $268.2m or 79 cents.

This brought the full-year consolidated net income to $1.12bn or $3.29 a share, down from $1.18bn or $3.53 in 1986.

GTE said the lower 1987 earnings reflected high losses incurred by US Sprint – a joint venture with United Telecommunications – including a special charge which reduced GTE's second-quarter earnings by 31 cents a share.

Revenues for the year totalled a record $15.42bn, 2 per cent higher than a year ago. However, the company pointed out that on a comparable basis, excluding sales from businesses transferred to joint ventures with Siemens of West Germany and Fujitsu America, revenues from ongoing operations increased 6 per cent.

The fourth-quarter results benefited from gains from pension settlements and a sale of property which increased net income by $26m or 8 cents a share. The comparable period in 1986 included charges of $30m or 9 cents relating to tax changes.

Fourth-quarter sales totalled $4.04bn against $3.99bn.

Mr Theodore F. Brophy, chairman, said he was "pleased by the overall improvement" in fourth-quarter results.

US Sprint's operating losses diminished sharply for the second quarter in a row, and "we look forward to continued progress."

EUROPEAN OPTIONS EXCHANGE

Series		Vol	Last	Vol	Last	Vol	Last	Stock
PHILIPS C	FL 25	196	1.30	90	2	20	2.80	Fl. 25.20
PHILIPS P	FL 22.50	14	0.80	33	1.50	446	2	Fl. 25.20
ROYAL DUTCH C	FL 220	94	3.20	148	5	5	8	FL 210.90
ROYAL DUTCH P	FL 210	227	6.50	11	13	3	17.90	FL 210.90
UNILEVER C	FL 110	175	4.40	113	7.20	14	9.50	FL 109.10
UNILEVER P	FL 100	140	2.40	100	4.90	10	6.50	FL 109.10

TOTAL VOLUME IN CONTRACTS : 17,738

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

	%		%		%
ABN Bank	9	Citibank NA	9	Nat Bk. of Kuwait	9
Adam & Company	9	City Merchants Bank	9	NatWestminster	9
AAB - Allied Arab Bk	9	Clydesdale Bank	9	Northern Bank Ltd	9
Allied Irish Bank	9	Comm.Bk.N.East	9	Norwich Gen. Trust	9
American Exp.Bk	9	Consolidated Cred	9	PK Finans. Intl(UK)	9½
Amro Bank	9	Co-operative Bank	*9	Provincial Bank PLC	10
Henry Ansbacher	9	Cyprus Popular Bk	9	R. Raphael & Sons	9
ANZ Banking Group	9	Dunbar Bank PLC	9	Roxburghe G'rantee	9½
Associates Cap Corp	10	Duncan Lawrie	9	Royal Bk of Scotland	9
Authority Bank	9	Equatorial Bank plc	9	Royal Trust Bank	9
B & C Merchant Bank	9	Exeter Trust Ltd	9½	Smith & Williams Secs.	9
Banco de Bilbao	9	Financial & Gen. Sec.	9	Standard Chartered	9
Bank Hapoalim	9	First Nat. Sec. Ltd.	9½	TSB	9
Bank Leumi (UK)	9	● Robert Fleming & Co.	9	UDT Mortgage Exp	§10.2
Bank Credit & Comm	9	Robert Fraser & Ptnrs.	10	United Bk of Kuwait	9
Bank of Cyprus	9	Girobank	9	United Mizrahi Bank	9
Bank of Ireland	9	Grindlays Bank	9	Unity Trust Bank Plc	9
Bank of India	9	● Guinness Mahon	9	Western Trust	9
Bank of Scotland	9	HFC Trust & Savings	9	Westpac Bank Corp.	9
Banque Belge Ltd	9	● Hambros Bank	9	Whiteaway Laidlaw	9½
Barclays Bank	9	Heritable & Gen Inv Bk	9	Yorkshire Bank	9
Benchmark Bank PLC	9	● Hill Samuel	§9		
Berliner Bank AG	9	C. Hoare & Co.	9		
Brit Bk of Mid East	9	Hongkong & Shangh	9		
● Brown Shipley	9	Lloyds Bank	9		
Business Mtge Tst	9	Meghraj Bank Ltd	9		
CL Bank Nederland	9	Midland Bank	9		
Central Capital	9	● Morgan Grenfell	9		
● Charterhouse Bank	9	Mount Baty Corp.	9		

● Members of the Accepting Houses Committee. * 7 day deposits 4.00% Sarewise 6.66%. Top Tier-£2,500+ at 3 months' notice 8.31%. At call when £10,000+ remains deposited. ‡ Mortgage base rate. § Demand deposit 4.00%. Mortgage 10% - 10.25%

FT CROSSWORD No.6,553

SET BY HIGHLANDER

ACROSS

1 Hard work for an old coach (9)
6 Go with rival to see game (5)
9 International group has one dealing with agreement (5)
10 We'd heard Heather being persuasive (9)
11 Steep slope is shown differently in recent maps (10)
12 He led the Arabs, it's said, with style (4)
14 In the soup, possibly, on court (7)
15 Throw by Lamb causes bloomer (7)
17 Trains groups of swimmers in the sea (7)
19 Sybil, for example, is one who eats about six (7)
20 I make offer to manufacture in same place (4)
22 Wine requiring more mature fruit (10)
25 She tours with a novel writer (9)
26 Cancel regular publication – article missing (5)
27 Brought forward unknown nobleman first (5)
28 It changes colour through fatigue (9)

DOWN

1 Low card is no advantage to either player (5)
2 Too chill perhaps round the Pole for this garment (9)
3 Allowance for hereditary element in breeding (10)
4 Reporter puts every point over to staff (7)
5 Engineer has learnt wrong constant (7)
6 Cut sounds in fashion (4)
7 Slightly decomposed below T-bone (5)
8 Important university post for accommodating youngster (4-5)
13 In the open on top of house (5,5)
14 Criticise label on one turning up in station (9)
16 Beginner on farm is prepared to go far (4-5)
18 Defensive structure didn't stand right in the middle (7)
19 Where theatrical assistant stores clothes (7)
21 Lay underground section of train terminal first (5)
23 Couples reported providing nourishment for embryos (5)
24 Do one's best to trap old politician (4)

Solution to Puzzle No.6,552

Q	U	O	V	A	D	I	S		E	B	B	I	N	G
U		B		S		N				A		N		A
O	P	E	N	C	A	S	T		A	S	P	E	C	T
I		L		O		T		A		R		D		H
T	R	U	S	T	D	E	E	D		E	X	I	L	E
S		S				A		I		L		T		R
			G	R	I	D		T	R	I	R	E	M	E
O		A		U						E		D		D
F	I	S	H	N	E	T		B	U	F	F			
F		T		N		A		L				E		B
E	V	E	R	Y		S	K	E	D	A	D	D	L	E
N		R		M		K		M		M		G		A
D	R	O	V	E	R		P	I	N	P	O	I	N	T
E		I		D				S		L		E		I
D	O	D	G	E	R		S	H	E	E	P	R	O	T

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

هكذا من الأصل

INTL. COMPANIES AND FINANCE

Financial chief quits Salomon Brothers

BY RODERICK ORAM IN NEW YORK

SALOMON BROTHERS, the Wall Street investment firm which is the target of recurring takeover rumours, has announced the resignation of its first ever chief financial officer.

Mr Gerald Rosenfeld, a mergers and acquisitions specialist, said he was leaving because he wanted "to get back to the deal side of the business in a smaller environment than Salomon Brothers."

His appointment last March was an attempt by the large securities firm to get a tighter grip on its $70bn of assets and $3.5bn of capital worldwide. He has been responsible for instituting more formal budget, planning and financial control processes.

"Everyone in the firm has bought into the idea of budgeting, control and planning," he said. It seemed like a good moment to leave to pursue his own interests because the "systems, processes and attitudes are in place. Now the execution needs to be carried out."

He would stay on for several weeks to ensure a smooth transition to his as yet unchosen successor, and had no firm plans for his next job. The resignation announcement coincided with the appointment of four more vice-chairmen to make a total of six. He had decided to leave, however, before the new people were chosen.

"If I had stayed on, I would have hoped I would have been made a vice-chairmen." The new vice chairmen are Mr Jay Higgins, with responsibility for investment banking, Mr James Massey (sales and administration), Mr John Meriwether (global risk management) and Mr Stanley Shopkorn (equities).

The existing vice-chairmen, Mr Tom Strauss and Mr Bill Voute, remain. Mr John Gutfreund, chairman, said the new vice-chairmen would bring "greater experience to top management of the firm in those areas we have targetted as sources of the firm's future growth."

Stanbic profits advance 23%

BY OUR FINANCIAL STAFF

STANDARD BANK Investment Corporation (Stanbic), the South African bank divested in August by Standard Chartered of the UK, boosted 1987 pre-tax profits by 23.2 per cent, to R329.4m ($162.8m) from R267.3m.

Mr Conrad Strauss, managing director, said that the sale by the London-based bank of its residual 39 per cent shareholding "has made not an iota of difference" to the way Stanbic operates.

It is the second largest commercial bank in the country, ranking after First National Bank, which was formerly controlled by Barclays.

The Standard Chartered stake was sold to a number of South African companies including Liberty Life, Old Mutual, Gold Fields of South Africa and Rembrandt, for £155m ($271.2m).

At the attributable level, Stanbic showed a 5.3 per cent profit rise to R220.1m from R209m.

The total dividend was lifted to 82 cents from 78 cents, paid from net earnings of 225 cents a share against 215 cents.

The bank drew benefit from a sharp fall in bad debts to R52.2m from R164.2m.

Assets at the year-end were R27.62bn, against R25.1bn.

Swiss bank earnings hold steady

By William Dullforce in Geneva

SWISS VOLKSBANK, the country's fourth largest commercial bank, yesterday reported unchanged net earnings of SFr115.6m ($83.7m) for 1987.

The Board proposes to pay shareholders an unchanged dividend of SFr75 a share and SFr7.50 per non-voting participation certificate, breaking a five-year series of annual dividend increases.

Gross earnings grew by 4.7 per cent to SFr835m. A strong expansion in lending, with commercial credits notably climbing by 17.4 per cent or by SFr1.64bn, led to a higher net interest income despite the pressure on margins.

Income from securities trading, on the other hand, dropped by 11.2 per cent to SFr117m. The October stock market crash had led to losses for Volksbank but these had been more than covered by accumulated reserves, Mr Walter Ruegg, the managing director, said.

Commission income rose by 3.8 per cent to SFr318m, while returns from trading in currencies and precious metals posted a 19.3 per cent surge to SFr90m.

Operating costs rose by 9.5 per cent to SFr554m. Personnel charges climbed less steeply at 7.9 per cent than spending on fixed assets, which climbed by 14.1 per cent to SFr158m.

Allocations in the 1987 account for losses, depreciation and provisions of SFr131m were more than SFr5m lower than the previous year.

Reserves against loans to countries with debt problems were already above the 35 per cent cover which the Banking Commission has asked banks to reach by the end of this year, Mr Ruegg said.

Management would watch cost developments carefully, but long and medium-term investments needed to secure that future earnings would not be subordinated to short-term profit considerations, Mr Ruegg said.

Bord Na Mona reduces losses to I£15.8m

by Kieran Cooke in Dublin

BORD NA MONA, the Irish Republic's state company involved in the harvesting and marketing of peat products, has recorded a loss of I£15.8m ($24.6m) in the past financial year. This compares with a loss of I£17.6m the previous year.

A poor turf harvest, depreciation costs and heavy interest payments on a debt of I£137m were the main factors behind the loss.

Two bad summers, in 1985 and 1986, caused a fall in peat production, which reached less than 80 per cent of target.

Bord Na Mona sells the biggest part of its output to the state electricity board. It also manufactures peat briquettes for domestic use and exports Irish moss peat for horticultural purposes.

Kymmene doubles profits for 1987

By Olli Virtanen in Helsinki

KYMMENE, Finland's largest forest products group, more than doubled operating profit after financial items to FM750m ($182m) in 1987.

Turnover declined FM1.4bn to FM6.6bn due to the sale of the Stromberg power technology division to Asea of Sweden. Sales of other operations grew 6 per cent on average.

Group earnings before appropriations and taxes amounted to FM800m. The corresponding figure for 1986, at FM769m, included the first FM300m payment forStromberg.

Strong demand helped Kymmene increase its paper and paper board production by 8 per cent, to 1.6m tonnes.

NOTICE OF REDEMPTION

To the Holders of

U.S. $100,000,000

TransCanada PipeLines Limited

16% Notes due March 15, 1992

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Condition 4(a) of the above-described Notes and Section 4(c) of the Fiscal and Paying Agency Agreement dated as of March 15, 1982 between TransCanada PipeLines Limited and Morgan Guaranty Trust Company of New York, as Fiscal and Paying Agent, TransCanada PipeLines Limited intends to redeem on March 15, 1988 all of the 16% Notes due March 15, 1992 at a redemption price of 102% of the principal amount thereof.

Payment will be made in U.S. dollars on and after March 15, 1988 upon presentation and surrender of the above bearer Notes with coupons due March 15, 1989 and subsequent coupons attached, subject to applicable laws and regulations, either (a) at the office of the Fiscal and Paying Agent in New York City, or (b) at the main office of Morgan Guaranty Trust Company of New York in Brussels and London, of Union Bank of Switzerland in Zurich, or of Union de Banques Suisses (Luxembourg) S.A. in Luxembourg.

Payments at the office of any paying agent outside of the United States will be made by cheque drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment made within the United States to a Non-U.S. payee or otherwise transferred to an account maintained by a Non-U.S. payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury that the payee is not a United States person. Payments made within the United States to non-exempt U.S. payees are reportable to the IRS and those U.S. payees are required to provide to the paying agent an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate) to avoid 20% withholding of payment. Failure to provide a correct taxpayer identification number on IRS Form W-9 may also subject a U.S. payer to a penalty of U.S. $50.

Bearer Notes surrendered for payment should have attached all unmatured coupons appurtenant thereto. Coupons due March 15, 1988 should be detached and collected in the usual manner.

From and after March 15, 1988 interest shall cease to accrue on the Notes.

TRANSCANADA PIPELINES LIMITED

DATED: February 11, 1988

U.S. $60,000,000

Banamex

Banco Nacional de México, S.A.

Floating Rate Subordinated Notes Due 1992

Interest Rate	7⅛% per annum
Interest Period	11th February 1988 11th August 1988
Interest Amount per U.S. $5,000 Note due 11th August 1988	U.S. $180.10

Credit Suisse First Boston Limited
Agent Bank

U.S. $500,000,000

National Westminster Bank PLC
(Incorporated in England with limited liability)

Primary Capital FRNs (Series "B")

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from February 11, 1988 to August 11, 1988 the Notes will carry an Interest Rate of 7 1/16% per annum. The interest payable on the relevant interest payment date, August 11, 1988 against Coupon No. 7 will be U.S. $3,570.49 and U.S. $357.05 respectively for Notes in denominations of U.S. $100,000 and U.S. $10,000.

By: The Chase Manhattan Bank, N.A.
London, Agent Bank

February 11, 1988

FT UNIT TRUST INFORMATION SERVICE

Phoenix Assurance Co Ltd
Phoenix House, Redcliff Hill, Bristol 0272 294941

Life Assurance Funds				
Wealth Assoc.	372.1	391.8	—	—
Ex'r Ph. Eq.	334.1	356.5	—	—
Pension Plan Funds				
Phoenix				
UK Equity Acc.	155.8	164.0	+0.5	—
International Acc.	122.6	129.0	+0.1	—
Property Acc.	123.1	129.5	—	—
Fixed Interest Acc.	150.1	158.0	+0.5	—
Money Acc.	136.1	143.2	—	—
Bldg. Soc. Link Acc.	133.0	140.0	—	—
Special Mngd. Acc.0	140.1	147.4	+0.3	—
Phoenix/Framlington				
Intnl. Growth Acc.	82.2	86.5	-0.2	—
Amer. & Gen. Acc.	76.6	80.6	—	—
Capital Tst. Acc.	166.2	174.9	+0.1	—
Japan & Gen Acc.	173.6	182.7	-0.8	—
American Turn. Acc.	76.6	80.6	-0.4	—
Recovery Tst. Acc.	155.8	163.9	-0.6	—
Special Mngd Acc.	135.6	142.7	-0.2	—
Phoenix/GT				
International Acc.	117.7	123.8	-0.3	—
US & General Acc.	85.5	89.9	-1.0	—
Amer Spec Sits Acc.	58.9	61.9	-0.5	—
Japan & General Acc.	166.8	175.5	-0.5	—
Far East & Gen. Acc.	132.3	139.2	-1.6	—
UK Capital Acc.	163.0	171.5	+0.4	—
European Acc.	130.9	137.7	+0.5	—
Special Mngd. Acc.	119.3	125.5	-0.1	—

[illegible]

MANAGEMENT SERVICES

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

هكذا من الاصل

Four Eurodollar deals meet mixed responses

BY CLARE PEARSON

ACTION IN the Eurobond market centred on the Eurodollar sector yesterday as four new deals totalling $850m emerged, meeting widely different responses.

Dealers were bemused by the strength of demand for a $100m issue for the unrated Mercedes-Benz Credit Corporation in sharp contrast to the somewhat disappointing response to Portugal's $300m bond, which marked its debut in the Eurodollar fixed-rate sector.

But the $250m issue for General Electric Credit Corporation provided the main focus of controversy. LTCB International, the lead-manager, appeared to have won the mandate in the teeth of intense competition and all the main US Eurobond houses turned down participation in the deal.

The pricing was clearly the product of competitive bidding, as the three-year 7⅞ per cent issue, priced at 101¼, provided a slim 34 basis point yield pick-up over US Treasury bonds at launch. LTCB International said, however, that it had not had to buy back significant amounts of paper. The bid price was held at less 1⅜, the level of the total fees.

Deutsche Bank Capital Markets, on the other hand, could hardly sell paper fast enough in its $100m issue for Daimler-Benz' US offshoot, even though it was not guaranteed by the parent company.

The yield spread on the 8½ per cent seven-year bond, priced at 100¼, was initially 59 basis points over the US Treasury yield curve. In the afternoon the issue was offered at less ¾, to yield 40 basis points over.

But Portugal's $300m 8¼ per cent three-year bond appeared to be selling slowly, even though the market agreed with its pricing. Issued at 101⅛, it yielded at launch about 90 basis points over the "when issued" three-year Treasury bond.

Led by Union Bank of Switzerland (Securities), it was

INTERNATIONAL BONDS

quoted at less 1⅝ bid, the level of its total fees.

Meanwhile, Daiwa Europe's $200m 8⅛ per cent four-year issue for Swedish Export Credit, priced at 101⅛, was quoted at less 1.60 bid, just inside 1⅝ per cent fees.

Unlike the busy primary market, the secondary Eurodollar market saw thin trading. Dealers were reluctant to take up positions ahead of the publication tomorrow of the US trade figures for December.

The flow of new Japanese equity warrants deals was maintained yesterday as two new deals emerged. These were a $70m issue for Rohm, the integrated circuits company, and a $110m deal for Fuji Fire and Marine Insurance. Both were led by Nomura International, and both carried five-year maturities and indicated five per cent coupons.

Hambros Bank led a A$75m 12⅜ per cent five-year issue for the World Bank, priced at 102. Dealers said demand for supranational issues in Australian dollars was still strong, even though the rest of the sector looked overstocked after copious recent new issues.

Daiwa Europe announced a Y10bn "bear" four-year bond for Banca Nazionale del Lavoro International. The redemption price of the 7 per cent bond, priced at 101¼, is linked by a formula to the December 1990 Japanese government bond futures contract.

In West Germany, domestic bonds showed strong gains of up to 65 basis points in medium maturities, aided by New York's firmness and news of the Bundesbank's 28-day repurchase agreement, which will add DM12.9bn of liquidity after a DM8bn drain. D-Mark Eurobonds were as much as 75 basis points higher.

The Swiss market saw three new issues, including a SFr100m public deal for Aegon, the Dutch insurance group. Swiss Bank Corporation priced the 11½-year issue at par with a 4¼ per cent coupon. It was well received and was bid in the grey market at ½ point below issue price.

A SFr150m convertible private issue was launched by Union Bank of Switzerland for Rohm, a Japanese electrical equipment maker. The five-year issue was indicated with a 1¼ per cent coupon and a put option to yield 3.05 per cent after three years.

SBC also brought a SFr50m five-year issue with equity warrants for Komatsu Forklift with an indicated coupon of 2⅛ per cent and par pricing.

The Swiss market continued firm, gaining about ¼ point. Japan Highway's SFr200m 4⅛ per cent 10-year issue ended its first day's trading at 97⅛, which is 1⅝ points below its issue price.

Eurofima, the rolling stock concern, made a Ptas10bn "Matador" issue on the Spanish domestic market, led jointly by J.P.Morgan and Banco Hispano Americano. The seven-year issue was priced at 99⅞ with a 12 per cent coupon and was bid at 98⅞, within the 1⅞ fees.

NZ stockbroker stops trading

NATIONAL PACIFIC Securities, a New Zealand stockbroking firm 50 per cent owned by the National Pacific insurance group, has ceased trading, Reuter reports from Wellington.

Its announcement marks the eighth cessation of trading by a New Zealand broker since the October crash although one house, Paine Belcher, has since resumed business.

Turnover on the New Zealand Stock Exchange has slumped to about NZ$5m to NZ$7m a day compared with NZ$50m in September when the Barclays index reached a record high. Since then the index has fallen by 55 per cent.

Against the trend, Barclays de Zoete Wedd, the securities arm of Barclays Bank of the UK, has announced that it intends to start a new company in New Zealand next month.

Gutzwiller syndicate to continue as before

By William Dullforce in Geneva

THE UNDERWRITING syndicate hitherto run by Banque Gutzwiller, Kurz, Bungener (Gutzwiller) will continue to operate on the Swiss capital market, Mr Jean-Francois Kurz, its guiding spirit for the past 20 years, said yesterday.

A decision to this effect was taken yesterday by the syndicate's five-member executive committee at a meeting in Gutzwiller's Geneva office, Mr Kurz said. Represented at the meeting were Banque Nationale de Paris, Samuel Montagu, Internationale Genossenschaftsbank of Basle and St Gallischer Creditanstalt.

Mr Kurz leaves Gutzwiller tomorrow, having resigned last month because of differences with Bank Leu of Zurich, the majority shareholder, over future policy.

Last week Mr Hans Knoepfli, Bank Leu's chief executive, said Gutzwiller would be reorganised, would change its name, and would no longer operate outside the "big syndicate" run by the big three Swiss banks, which dominates the issuing of Swiss franc foreign bonds. Bank Leu is a member of the big syndicate.

Mr Knoepfli's statement raised doubts about the future of the syndicate originally formed by Gutzwiller. But Mr Kurz said that syndicate members had signed an agreement under which they had to give six months' notice of withdrawal before the end of the year.

Yesterday the committee had decided "to continue as before," according to Mr Kurz. It would, however, be "logical" if Gutzwiller quit.

He added that he would "very soon" join another Geneva bank, which he would not name and which would become a member of the syndicate. "I will be chairman and will continue my activity on the Swiss capital market," Mr Kurz said.

Under Mr Kurz, the maverick Gutzwiller has been among the more prominent lead managers on the market and a constant irritant to the big syndicate.

It would be unusual for both investors and issuers not to have syndicates outside that run by the big three banks, Mr Kurz declared yesterday.

Five-year loan for Europistas

By Alexander Nicoll, Euromarkets Editor

EUROPISTAS, the Spanish motorway concessionaire, is seeking a Y9.67bn loan in a further test of pricing levels for Spanish borrowers following their 10-month absence due to the problems of Fecsa, the Catalan electric utility.

Bank of Tokyo is arranging the loan, which has already been underwritten by Morgan Guaranty, Banque Bruxelles Lambert, Industrial Bank of Japan, Norinchukin Bank and Taiyo Kobe Bank.

It is for five years with three years' grace, with an interest margin set 18.75 basis points above London interbank offered rates for the the first three years and 20 basis points thereafter. Front-end fees range up to 10 basis points.

The margin is well below the 37.5 basis points on a loan now in the market for Union-Electrica Fenosa, though that was for a longer eight-year maturity and was also for an electric utility.

Booker, the UK agricultural products group, is to have a £150m commercial paper programme with a dollar option arranged by Chase Investment Bank.

Barclays Bank SA is co-arranger with BNP Capital Markets of the $300m Rhône-Poulenc facility reported in yesterday's FT.

Korea plans bonds issue

THE KOREAN Ministry of Finance announced yesterday it will issue government bonds amounting to W800bn ($1.02bn) in an attempt to absorb excess liquidity and head off inflation, AP-DJ reports from Seoul.

The Government will allocate W200bn each to securities, investment trust, short-term financing and insurance companies by next week. The step will bring to about W1,163bn the total volume of government bonds the ministry has offered so far this year.

Last week, South Korea adopted a policy of tight money with limited spending, issuance of securities to mop up excess liquidity and efforts to hold down the current account surplus.

Deborah Hargreaves on post-crash efforts to make amends

Act of good faith from CBOE

IN A DESPERATE effort to restore the confidence of investors in the options market, traders at the Chicago Board Options Exchange are making a refund of up to $1.2m to customers who traded stock index options on October 20 – the day after the stock market crash.

Faced with charges of over-pricing and inaccessibility of the market amid the wild price swings that immediately followed Black Monday, the refund was the initiative of a group of market makers in the exchange's dominant Standard & Poor's 100 stock index option.

As "an act of good faith," the traders suggest a temporary increase in transaction costs for the index option to raise the revenue for the refund. "It's a way of demonstrating that our hearts are in the right place," said one. Nonetheless, disgruntled investors will still have recourse to arbitration procedures.

"A lot of people were surprised, shocked and extremely disappointed with some of our pricing on October 20," agrees Mr Chuck Henry, the CBOE's president. But he argues that the difficulties arose from the unusually volatile market conditions.

Nevertheless, the fact that traders themselves have agreed to pay refunds for certain series of options is tantamount to admitting that they were unfairly priced on October 20. This is in spite of earlier findings by an exchange committee that pricing was as good as could be expected under the circumstances.

The refund is the latest of several measures adopted at the CBOE to head off criticisms about the way its market performed during the crash. The report into events surrounding October 19 by the presidential commission headed by Mr Nicholas Brady found that the "options market was substantially less available than the futures market," on both the Monday and Tuesday of the crash.

In fact, the S&P 100 was in free trading for only 52 minutes on October 20, making it very difficult for investors to position themselves for a market decline.

With its fortunes so closely tied to the S&P 100 option – the contract has accounted for more than half of total exchange volume in the past – the CBOE has been feeling the pinch in the chastened markets that followed the crash. Trading volume on the S&P 100 has shrunk to a daily average of 243,603 lots in January from some 492,000 a day six months ago.

CBOE officials estimate that the exchange lost around 25 per cent of its market-making capital in the week of October 19. In addition, well-publicised losses at one of the CBOE's biggest clearing firms – First Options – have topped the $100m mark.

Cross-margining

The problem of capital is one of the key issues facing the exchange. During the crash, "people were having to pay up enormous sums of money when they had perfectly hedged positions," explains Mr Henry. These margin calls took a substantial amount of capital out of the pit and could be avoided if offsetting positions in other markets were considered, the exchange argues.

For this reason, the CBOE is expected to make recommendations to the Securities & Exchange Commission that effective "cross-margining" measures between the options, securities and futures markets be instituted.

In addition, the CBOE is expected to raise its net capital requirements for firms holding short stock options positions, as well as to call for improvements in the way banks and broker-dealers finance long options positions, although it stresses it will not be making any concrete proposals until March.

Some brokerage firms have already gone ahead and imposed higher capital requirements on options speculators. For this reason, fewer people are participating in the market. The exchange itself is looking at ways of damping the volatility that has put many investors off using the post-crash markets, though it has so far resisted price limits of the kind adopted by its futures exchange counterparts.

One of the ways the CBOE has tried to tighten the market's operation is by speeding up its opening procedure. Traders open the market by a process of rotation – a procedure that was severely impaired on October 20 by order imbalances and uncertainty about what was happening in the cash market.

Since then, the exchange has moved to speed up rotation by opening more options series simultaneously. "We concluded we've got to do something to get these markets open in a timely way," stresses Mr Henry, claiming this move has routinely cut rotation time to 10 minutes even in active markets.

This is, however, icing on the cake to many investors – long wary of the "lack of depth and clarity in the options market." Indeed, several private investors have charged that their brokers never made them fully aware of the risks of speculating with highly leveraged options contracts. Some ill-advised options strategies – such as selling "naked puts" (unhedged options to sell) – were certainly responsible for huge losses during the crash.

Changing game

But while some traders are confident that many smaller investors will be enticed back to the options market once volatility calms, others are not so sure. The options game has changed rapidly in recent years, according to veterans.

They point in particular to the growing sophistication and computer-power of some of the off-the-floor operators, against which the floor trader is unarmed. "These upstairs traders are animals," says one former trader from the S&P 100 pit.

In the meantime, in an effort to break even on lower volume figures, the CBOE has been forced to institute widespread cost-cutting measures including a cut of some 150 jobs through lay-offs and attrition.

It has further reduced its budget requirements by $15m from a pre-crash projection of $65m for this year. Officials claim that it can now break even on a total contract volume of 450,000 lots a day – a level it just exceeded in January with 452,972 lots a day.

UAE smelter project seeks finance

BY RICHARD JOHNS

SPONSORS OF a $1bn aluminium smelter in Umm al Qiwain, one of the smaller member states of the United Arab Emirates, say they are close to agreement on 25 per cent equity participation in the project and are in the process of arranging the balance of the capital in the form of non-voting shares.

As yet, however, they have not secured the essential supplies of natural gas, although an understanding has been reached with Sharjah Crescent Petroleum on the supply of 65 per cent of the requirements of the prospective smelter, which would have a capacity of 240,000 tonnes per year.

The plan is that the Umm al Qiwain Government, in conjunction with International Engineering Consultants, a company registered in the Cayman Islands, will have a 51 per cent majority stake in the project.

The balance would be held by United Aluminium Fabricators, a US consortium of end-users with 30.5 per cent, Amari, the UK metal distributor, with 8.5 per cent, and China National Metals and Minerals Import and Export Corporation of Peking and China Everbright of Hong Kong with 5 per cent each.

The Umm al Qiwain Aluminium Company is preparing an issue of $240m worth of non-voting shares as a basis for raising $700m in loans.

Mr Paul Brauner of International Engineering Consultants – the entrepreneur who masterminded the aluminium smelters in Bahrain and Dubai – said last night that commitments covering about 50 per cent of the non-voting shares required, which would be in the form of 12 per cent coupons, had been secured.

Lloyds International Trading, the small New York-based merchant banking arm of Lloyds, the UK banking group, is seeking investors on behalf of the sponsors. It is believed that Gulf International Bank – jointly owned by member states of the Gulf Co-operation Council – is likely to be the lead bank underwriting the issue.

Mr Brauner said that the intention was that 65 per cent of gas requirements totalling 140m cu ft per day should comes from Sharjah. There were a number of other possible sources of supply, which he declined to specify. It is believed that Umalco is hoping to purchase them from Abu Dhabi and Oman.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on February 10

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Abbey National 7½ 92	200	96⅛	96⅝	+0⅛	+0¼	8.60
All Nippon Air 9⅞ 97	100	†98¾	99¼	+0⅛	+0¼	9.52
American Brands 8⅞ 92	150	98½	99	0	0	9.20
A/S Eksportfinans 7⅝ 93	100	95⅛	95½	0	−0⅛	8.69
A/S Eksportfinans 7¼ 92	150	96⅛	96⅝	+0¼	+0¼	8.28
Barc. Bk. Fin. 10¼ 89	200	†103½	104	0	+0½	7.96
Belgium 9⅛ 92	400	102⅞	103	+0⅛	+0¼	8.36
British Telecom 7⅞ 96	250	91⅞	92⅛	+0⅛	+0½	9.00
British Telecom 8⅞ 94	150	101⅝	102⅛	+0⅛	+0⅛	8.47
Canada 9 96	1000	102¼	102⅝	+0⅛	+0⅝	8.58
Canadian Pac 10¾ 93	100	†105	106	0	+0¼	9.37
C.C.C.E 7¼ 91	113	96½	97⅛	+0⅛	+0¼	8.16
C.N.C.A 7¼ 91	150	96¼	96¾	+0⅛	+0⅛	8.34
Coca-Cola Ent. 8¼ 90	100	†101½	102	0	+0⅛	7.40
Credit Lyonnais 9 91	200	102⅛	102¾	+0¼	+0¼	8.03
Credit National 7⅜ 92	100	96⅝	97⅛	+0¼	+0½	8.27
Credit National 7¼ 91	150	96⅝	97⅛	+0⅛	+0⅛	8.22
Denmark 7⅛ 92	500	95⅜	95⅞	+0⅛	+0¼	8.43
Denmark 8¼ 91	300	†100¾	100¾	+0⅛	−0⅛	8.05
E.E.C 7 91	100	96½	97	+0⅛	+0⅛	8.01
E.E.C. 7¼ 93	250	95⅛	96⅛	0	+0½	8.27
E.E.C 8¼ 96	100	96⅝	96⅞	+0¼	+0¼	8.82
E.I.B. 7⅞ 93	100	96⅜	96⅞	+0¼	+0½	8.37
E.I.B. 9⅞ 97	150	102⅝	103⅛	+0⅛	+1	8.90
Finland 7⅞ 97	200	93	93½	+0¼	+0⅛	9.00
Finland 7½ 93	200	95½	96	0	+0¼	8.47
Finland 9⅛ 92	100	†103⅛	103⅝	+0⅛	+1½	8.25
Ford Motor Cred 11⅞ 90	100	106¼	106⅝	0	+0¼	7.77
Gen Elec Credit 10¼ 00	200	103	103⅛	0	+0⅛	9.79
G.M.A.C. 8 89	250	100⅛	100⅝	0	−0¼	7.67
G.M.A.C. 8¼ 89	200	100¾	101¼	0	−0¼	7.42
Hoesch 8¼ 97	100	†94	94½	0	−1	9.20
Italy 9 90	1000	102½	103	0	+0¼	7.77
Liberty Mutual 8½ 96	150	†97¼	97¾	+0¼	+2¼	8.92
L.T.C.B of Japan 8 91	100	98¾	99¼	+0⅛	+0⅛	8.31
L.T.C.B. of Japan 8 97	200	92	92½	+0⅛	+0⅝	9.31
Mercedes-Benz Cred 8¼ 92	100	†100½	101	0	−0½	8.02
Metropolis Tokyo 9½ 93	200	103¾	104¼	+0¼	+0½	8.46
Mitsubishi Tst. 7⅞ 93	100	95½	96	+0⅛	+0⅛	8.83
Mutual America 7⅜ 92	100	†96½	97	0	−0¼	8.63
Norway 7¼ 91	500	†97½	98	+0¼	−0⅛	7.98
Pepsico Inc 7⅞ 93	200	96¼	96¾	+0⅛	+0⅛	8.21
Prudential Crp. 8¾ 94	125	101⅛	101⅝	+0⅛	+0⅜	8.45
Qantas Airways 10⅝ 95	140	106⅜	106⅞	0	+0⅜	9.09
Saab Scania 9½ 91	125	103¼	103¾	+0⅛	−0⅛	8.14
Saskatchewan 10¾ 92	100	107⅞	108⅛	0	+0⅝	8.37
State Bk S Aust 9¼ 93	100	101⅝	102⅛	0	+0⅝	8.77
Swedish Expt.Crd.7¼ 91	100	96¾	97¼	+0¼	+0½	8.18
Swed Exp Cred 10 92	100	106⅜	106⅞	0	0	8.09
Sweden 7 91	250	96¾	97¼	+0⅛	+0½	7.96
Sweden 7 92	250	96⅛	96½	+0¼	+0¼	8.09
Sweden 8⅜ 96	200	99	99½	+0⅛	+0½	8.88
Sweden 8½ 92	200	101⅜	101¾	0	+0½	8.07
Toyota Mtr. Cred. 9 90	200	102⅝	103⅛	0	−0⅜	7.82
Toyota Mtr.Cred.7⅛ 92	150	†95⅝	96⅛	+0⅛	−0⅛	8.39
Victorian Rep 11⅛ 92	150	109¾	110¼	0	+0⅛	8.67
World Bank 7 92	300	†96¼	96¾	+0⅛	+0½	8.06
World Bank 9 97	300	100⅝	101⅛	+0¼	+0⅞	8.84
Yasuda Trust Fin 8½ 93	100	98⅞	99¼	+0¼	+0⅛	8.72

Average price change... On day +0⅛ on week +0¼

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Asian Dev. BK. 6 94	200	101⅞	102⅜	−0¼	+0⅝	5.59
Avis Fin.SVS 5⅞ 92	100	†103¼	103¾	+0½	+1	4.90
Bank of Tokyo 5¾ 93	100	†102⅜	102⅞	+0⅛	+0⅛	5.14
Central BK. Turkey 7 92	200	†103½	104	−0¼	+0⅞	6.04
Degussa Int. 6⅛ 97	200	98⅝	99⅛	0	+0⅞	6.26
E.I.B 5½ 98	150	95¼	96	+0⅛	+0¼	6.08
E.I.B 6 97	300	99¾	100½	+0¼	0	5.98
E.I.B. 6⅛ 96	300	101⅝	102⅛	+0⅛	+0¼	5.85
E.I.B. 6⅛ 97	400	100⅝	101⅛	+0⅛	+0½	5.98
E.I.B. 6⅞ 95	300	106⅛	106⅞	+0¼	+0⅛	5.81
Euro.Coal& Steel 5⅞ 97	175	98⅞	99⅜	−0⅛	+0⅝	5.98
Eurofima 6¼ 96	100	101⅞	102⅜	0	+0¼	5.89
Elec De France 5⅜ 97	300	97⅞	98⅜	−0⅛	+0½	5.99
Forsmark Krtg. 5⅛ 93	200	99⅝	100	+0⅛	+0⅛	5.18
I.A.D.B. 6 97	200	98½	99¼	+0⅛	+0⅜	6.16
IBJ 5⅞ 92	100	†103	103½	0	0	5.07
Japan Finance 5⅜ 97	100	97¼	98	0	+0⅝	6.10
Ireland 6½ 97	300	†100	100½	0	+0½	6.46
Korea Dev BK 6⅝ 93	100	102⅝	103⅛	+0⅜	+0⅛	5.91
Malaysia 6¼ 94	150	99¼	100	+0⅜	+0⅛	6.31
Oesters. Kontbk. 5 93	300	99½	99⅞	+0⅛	+0¼	5.06
Portugal 5¾ 92	150	103¾	104½	−0⅛	+1⅜	4.70
Portugal 6⅝ 95	150	102¼	103	−0⅛	−0⅛	6.17
Royal Insurance 5½ 92	300	†102¼	102¾	+0¼	−0½	4.82
Statoil 6¼ 97	200	†99½	100	+0⅛	+0⅛	6.28
Soc Cent Nucleer 7¼ 95	150	103⅝	104⅛	+0¼	+0¼	6.58
Sterweag 5½ 96	100	96⅛	96⅝	+0½	−1⅛	6.05
Tokyo Elec. Power 6 97	300	†98	99	0	0	6.22
World BK. 6¼ 97	600	101¾	102	+0⅛	+0½	5.93

Average price change... On day +0⅛ on week +0⅝

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
African Dev.Bk. 5⅝ 96	100	†102½	102¾	+0⅛	+0⅝	5.23
Asfinag 5 02	150	†100½	101	−0⅛	+1	4.92
Bayer W/W 2½ 02	250	†95½	96	0	+0⅛	2.86
BBL W/W 2⅞ 97	100	*†90	90¼	0	+2⅞	4.03
Elec.De France 5 07	100	*†100	100½	0	+0⅛	4.98
E.I.B. 4⅞ 97	200	†100¼	100½	+0¼	+0⅛	4.70
E.I.B 4⅝ 97	200	†99½	100	−0⅛	−0⅛	4.66
Enso Gutzeit 5 99	100	*†100	100½	0	−0⅛	4.97
Ireland 5 02	130	†98	98¼	0	+3	5.19
Nissan Sals.Kstn. 4⅞ 93	80	†103	103½	+0⅛	−0⅛	3.93
Occidentl.Petrol 5¾ 92	100	†103	103¼	0	0	4.87
Prov.of Manitoba 4¾ 02	200	†102	102¼	+0¼	−0⅛	4.47
Prudential Fin. 4¾ 98	200	†101	101¼	+0¼	+0¼	4.61
Qantas Airways 4¾ 97	110	†100	100¼	+0⅛	+3½	4.73
SHV Holdings 4⅝ 94	100	*†100¼	101	0	0	4.59
Tiroler 4⅝ 97	100	*†101¼	102	0	+0¼	4.50
Trans-Can. Pipe 4⅞ 94	100	†101¼	102	+0⅛	+1⅛	4.51
Victoria Pwb.Ath.5⅜ 03	118	†102¾	103	+0⅛	+0⅜	5.09
World Bank 5 02	200	†99	99½	+0⅝	+0⅞	5.07

Average price change... On day +0⅛ on week +0⅜

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Belgium 5⅜ 92	55	101⅞	102⅛	+0⅛	+0⅛	4.90
Belgium 4⅞ 94	45	96⅞	97¼	+0⅛	−0⅛	5.17
E.I.B 4⅝ 94	40	97½	97⅞	+0¼	−0⅛	5.07
Elec. De France 5⅛ 94	20	100⅝	100⅞	+0¼	+0⅞	5.00
Kansai Electric 4⅝ 94	60	96½	97	+0⅛	−0⅛	5.25
Norway 4¼ 92	60	97¾	98	0	−0⅛	4.82
Rep. of Italy 5¾ 92	150	103⅝	103⅞	+0⅛	−0¼	4.74
Sweden 4⅞ 92	50	97⅞	98⅛	+0⅛	0	4.85
World Bank 5½ 92	50	103⅛	103⅜	+0⅛	−0¼	4.69

Average price change... On day +0⅛ on week −0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Abbey Nat.BS.10¼ 93 £	50	99¼	99¾	+0½	+0¼	10.38
Aegon 5¼ 91 FL	100	101⅝	102¼	0	+0⅛	5.16
Aegon 8¼ 89 FL	100	103⅜	104	0	−0⅛	5.43
Alg. Bk. Ned. 5¾ 91 FL	100	101¾	102	0	−0⅛	5.23
Amro Bank 6¼ 92 FL	150	102¼	102¾	0	+0⅜	5.60
Amro Bank 6 92 FL	200	101⅛	101½	−0¼	+0¼	5.64
Barc. Bk. 10¼ 97 £	250	98⅛	98⅝	+0¼	−0⅜	10.51
BP Capital 13¾ 92 A$	75	103¾	104¼	0	−0⅛	12.47
Creditanstlt.14⅛ 90 A$	60	†101¾	102¼	0	−0⅛	12.98
Denmark 7¾ 92 ECU	100	†101½	102	+0⅝	+0½	7.22
DG Fin. Co. 13¾ 90 A$	50	†104½	105⅛	0	+0¼	11.49
DG Fin. Co. 14 90 A$	75	†103¼	103¾	0	+1	12.20
DG Finance 14⅛ 92 A$	50	†102¾	103¼	0	−0¼	13.27
Deutsche Bank 9⅞ 97 £	75	†98	98½	−0¼	−0¼	10.17
Deutsche Bk.14¼ 92 A$	100	†105¾	106¼	0	−0¼	12.27
Dresdner fin.13⅞ 91 A$	100	†104¼	104¾	0	0	12.07
E.I.B 8⅝ 93 LF	1000	*†102	103	0	0	7.99
Euratom 7⅞ 97 ECU	145	†96⅛	96⅝	0	−0⅛	7.94
Euratom 11½ 88 FL	150	101⅝	102¼	0	−0½	0.05
Eurofima 17½ 89 NZ$	50	†102¾	103¼	−0¼	−0¼	15.12
Finland 6 91 FL	100	102	102⅝	+0½	+0½	5.32
Ford.Mtr.Cred.13¾ 91A$	75	102	103	0	+0⅛	12.81
Gillette Can. 9⅞ 93 £	70	96	96½	+0⅛	−0½	10.56
G.M.A.C. 9¼ 92 C$	75	99	99⅝	+0⅛	+1¼	9.48
G.M.A.C Aus.Fin.14 90 A$	50	101¾	102¼	0	+0⅛	12.88
Halifax BS 10⅜ 97 £	100	98¾	99¼	+0¼	−1	10.55
Heineken NV. 6½ 91 FL	150	†103¾	104⅛	+0¼	0	5.02
Honda Mtr.W/W 3⅞ 90 FL	100	†108	110	0	0	−0.37
Homer Dgas. N.V. 7 91 FL	50	†102	102½	+0¼	+0¼	6.16
Imp Chem Inds 10 03 £	100	95¼	95¾	+0¼	−1⅛	10.60
Inv.in Ind.Intl 10 93 £	60	99⅛	99⅝	+0¼	−0⅝	10.14
Leeds B.S 10½ 91 £	50	100⅛	100⅝	0	−0¾	10.33
Mort.Bk.Denmark 6 91 FL	150	100⅞	101½	+0¼	+0⅛	5.66
Mtge. Bk. Dn. 6¾ 91 FL	100	102⅝	103	0	0	5.78
Nat.Australia 14 92 A$	50	102⅝	103⅛	0	−0⅛	−0.50
Nat. West.Bk.13⅛ 92 A$	50	†101⅛	101⅝	0	−0⅛	12.68
Nationwide BS 10⅝ 93 £	75	99	99⅜	+0⅛	−0¾	10.33
New Zealand 7¾ 93 ECU	200	†99⅝	100⅛	+0⅛	+0⅛	7.78
Oesters.Ktbk.13⅞ 94 A$	75	103⅜	103⅝	0	0	12.75
Prudential Fin.9⅞ 07 £	150	88¾	89¼	+0½	−1¼	10.73
S.D.R. 7¾ 95 ECU	90	†99⅞	100⅛	+0⅛	+0⅝	7.72
Tsthouse Forte 11⅛ 90£	50	101⅝	102⅛	0	−0⅜	10.07
World Bank 6½ 90 FL	100	103⅛	103¾	0	+0½	5.06
World Bank 5¾ 91 FL	100	101⅝	102	0	0	5.24
World Bank 5¾ 92 FL	100	100⅞	101½	+0⅛	+0⅝	5.43
World Bank 13⅞ 92 A$	100	†102⅝	103⅛	0	−0⅛	12.43

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn
Alberta 3 93	.0312	100.39	100.48	13/06	8.17
Alliance & Leic.Bld 94 £	.08	99.04	99.09	21/04	9.02
Belgium 91	0	100.12	100.22	19/02	7.19
Britannia 5 93 £	0⅛	99.60	99.65	8/04	9⅛
Chase Manhattan Corp 91	0⅛	99.08	99.33	22/02	7.19
Citicorp 98	†0¼	96.85	97.10	29/02	7.69
EEC 3 92 DM	†0	100.30	100.35	22/02	4.31
Halifax BS £ 94	.1	99.51	99.56	8/02	8.97
Inst. In Industry £ 94	0	99.44	99.53	24/02	9.44
Midland Bank 01 £	.1	94.92	95.75	11/02	8.97
Milk Mkt.Brd. 5 93£	0⅛	99.52	99.56	30/03	9
New Zealand 5 97 £	.07	99.36	99.44	18/02	9.06
New Zealand 5 01	0	98.97	99.07	4/08	6.98
Shearson Lehman Hlds 91	†0⅛	99.00	99.50	8/02	7.62
United Kingdom 5 92	0	100.09	100.16	7/04	7.12
Woodside Fin. 5¼ 97	0	98.86	98.96	28/04	7.13
Woolwich 5 95 £	0⅛	99.34	99.39	19/02	9.12

Average price change... On day +0.01 on week 0.00

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Alcoa 6¼ 02	8/87	62	89	90	0	37.86
Alco Health 6¼ 01	†7/86	26.25	77	78	+0½	28.11
American Brands 7¼ 02	9/87	56.7	97⅝	98⅝	−0⅛	23.97
American Can Co. 5½ 02	4/87	66.75	66½	67½	−0⅛	60.41
Ashikaga Bank 2⅞ 02	4/87	967.	119	120	+0⅞	−1.14
Asics 5 92 DM	12/83	438.6	148⅞	150¼	−0½	−1.52
CBS. Inc. 5 02	†4/87	200.	90	91	+0½	13.30
Fuji Hvy Inds 3 00	8/85	676.	163⅝	165⅛	+2¼	6.70
Fujitsu 3 99	5/84	1106.	226⅛	227⅝	+4⅜	−0.37
Gunma Bank 2⅞ 02	4/87	808.	141½	143	+0½	0.58
Land Secs. 6¾ 02 £	6/87	6.72	88¾	90	+0¼	28.06
MCA Inc 5½ 02 US	9/87	69.62	77	78	+0⅝	34.90
Minolta Camera 2¼ 94DM	2/86	1004.	87¾	89¼	−0⅛	36.16
Mitsui Trust 2⅞ 01	10/86	1903.	145	147	+1⅛	5.70
Next PLC 5¾ 03 £	11/87	4.3	100¼	102	+0⅞	63.88
Nippon Elec 2⅞ 00	†1/85	1295.	292	293	+8	−0.02
Omron Tateisi 2⅞ 02	4/87	1310.	198⅞	199⅞	+7⅛	4.09
Ranks Hovis 4¾ 03 £	1/88	3.5	107	108	0	23.77
Redland 7¼ 02 £	1/87	5.4	92¾	93⅝	0	24.14
Texas Inst. 2¼ 02 US	9/87	82.87	77¼	78¼	+0½	47.28
W.R. Grace 6¼ 02 US	9/87	42.12	80⅛	81⅛	+0½	32.51

* No information available-previous day's price

† Only one market maker supplied a price

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡three-month; §above mean rate) for US dollars. C.cpn=The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv date=First date of conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

LONDON SHARE SERVICE

AMERICANS – Contd

1987/88 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
39	21	Rep NY Corpn $5	25⅞		$1.20	–	2.6
18¾	8¾	Rockwell Intl. $1	10¼	+⅛	66c	–	3.5
30¾	16¾	Sara Lee $1(1/3)	22¼xd	+¼	$1.20	–	3.0
11⅝	6⅞	Saul (B. F.) $1	10¼		20c	–	1.1
27½	21⅛	Southwestern Bell $1	21¼		N$2.32	–	6.0
22¼	904p	♥Staley Continental	12¼	–⅛	80c	–	3.6
44⅞	21⅝	Sun Co. Inc. $1	30⅝xd	+⅝	$3.00	–	5.4
42¼	22¼	TRW Inc. $0.625	26¼xd	+⅞	h$1.60	–	3.3
37⅞	21	Tenneco $5	22¾xd	+⅛	$3.00	–	7.3
220	149½	Do. 10pcLn.Stk. 91-5	155		10%	–	14.7
29⅝	15⅞	Texaco $6.25	21⅛	–¼	$3.00	–	7.8
74¾	36⅝	Time Inc. $1	49⅞	–⅛	$1.00	–	1.1
30⅜	15	Transamerica $1	19¾	+¼	$1.84	–	5.3
14⅜	1⅛	Transworld Corp $5	880p		20c	–	1.2
27¼	12¼	TRINOVA Corp	17¾	+⅝	56c	–	1.7
24¾	12⅝	♥USX $1	17¼	+⅛	$1.20	–	3.8
37⅛	16⅜	Utd. Technologies	20¾	+⅝	$1.40	–	3.7
38⅝	25⅝	US West	31		$3.28	–	5.8
90½	17¼	Waste Management $1	19⅝		36c	–	1.0
31⅞	11⅝	Whirlpool $1.0	15⅞	–⅛	–	–	–
37⅛	16½	♥Woolworth $3½	22⅞		$1.32	–	3.2

CANADIANS

High	Low	Stock	Price	+ or –	Div	C'vr	Y'ld Gr's
691p	227p	ABM Gold Corp ‖	258p	–8	–	–	–
26½p	10p	♥Abbot Energy Corp	18p		–	–	–
18⅛	506p	♥Amer. Barrick Res	10⅛		–	–	–
141p	4p	American Lightwave	4p		–	–	–
122p	33p	♥Armeno	37p	+1	–	–	–
117p	39½p	Argonitto Explo	65p	+2	–	–	–
19¼	10⅝	Bk. Montreal ‖	11¾	+⅛	$2.00	–	7.5
10⅞	488p	Bk. Nova Scot. ‖	549p	+1	72c	–	5.8
20⅝	15	BCE ‖	17⅛	–⅛	$2.40	–	6.2
10⅝	511p	♥Bow Valley ‖	677p	+4	♦40c	–	2.6
20	10⅛	♥Brascan ‖	18¾		88c	–	3.6
609p	186p	♥Breakwater Res	206p	–2	10c	–	2.1
11⅝	734p	Can.Imp.Bk. $2	845p	+8	$1.08	–	5.6
14	792p	Can. Pacific ‖	929p	+7	60c	–	2.8
42½	37½	Do. 4pc Deb £100	40		4%	–	10.0
827p	332p	Central Capital "A" ‖	393p	+3	–	–	–
155p	28½p	Danbus Res	140p	+1	–	–	–
687p	354p	Derlan Inds	471p	+7	11.75c	–	1.1
18	756p	♥Echo Bay Mines	10⅞	+⅛	20c	–	0.9
68p	26½p	Energex Minerals	34p		–	–	–
230p	66p	Euro-Asia Capital Ltd	94p	–1	–	–	–
821p	260p	♥Galactic Resources	270p	–1	–	–	–
69p	4½p	Global Data Systems	20p		–	–	–
873p	237p	Granges Explo ‖	246p	–14	–	–	–
19½p	7½p	♥Gt Pacific Res	16p		–	–	–
14½	560p	♥Gulf Canada ‖	722p	+21	52c	–	3.2
14⅛	782p	♥Hawker Sid Can ‖	840p	–8	96c	–	5.0
740p	332p	Henlys Group	425p	–27	–	–	–
14⅛	767p	♥Hudson's Bay ‖	879p	–9	60c	–	3.0
38⅝	21⅛	♥Imperial Oil ‖	25⅛	+⅛	s$1.60	–	2.8
14⅛	764p	Inco ‖	10⅞		US$0.20	–	1.1
230	14½	♥Intl. Corona Res	16	–1	–	–	–
785p	417p	♥Inland Nat. Gas $1	589p	–5	60c	–	5.2
10⅞	385p	♥Lacana Mining Corp ‖	392p	–4	Q15c	–	1.7
756p	129p	Madeleine Mines	197p		–	–	–
2456p	102p	♥Muscocho Explo	128p	–1	–	–	–
379p	155p	♥Nthl Business Sys. ‖	196p	+12	–	–	–
623p	154p	♥Nevada Goldfields	154p	–4	–	–	–
251	696p	♥Rio Algom	823p	–19	$1.30	–	7.0
19⅛	11⅛	Royal Bk. Can. ‖	12		$2.08	–	7.6
403p	135p	♥Royex Gold Mining ‖	177p	–2	–	–	–
52⅛	27⅞	Seagram ‖	30⅛	–⅛	US$1.00	–	1.8
731p	235p	♥Sonora Gold Corp ‖	280p	–3	–	–	–
208p	18p	Spiral Eng	20p	+2	–	–	–
67p	35p	Taro Pure Tech. Corp. ‖	59p		–	–	–
15⅞	10	Toronto-Dom. Bk. ‖	12		84c	–	3.1
228p	19p	♥Trans Atlantic Res ‖	49p	–1	–	–	–
10⅛	576p	♥Trans Can Pipe	595p	–6	$1.12	–	8.3
200p	115p	Varity Corp ‖	140p	–6	B–	–	–

BANKS, HP & LEASING

1987/88 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
259	128	ANZ $A1	136	+1	Q21c	3.1	6.1	5.4
*273	175	Allied Irish	216		†Q61.6%	3.0	6.3	7.1
*£16¼	£10½	Algemene Fl.10	£11		Q2.7%	2.1	7.4	6.4
*128	53	Anglo Irish	70		Q19.6%	1.2	6.3	20.5
108	67	Ansbacher (H.) 1p	68		N2.0	–	4.0	–
£49⅛	£24¼	Banco de Bilbao S.A.	£36¼		♦Q38%	3.0	2.7	12.3
£34½	£23½	Banco de Santander	£29½	+¼	Q22%	♦	1.8	♦
*245	175	Bank Ireland Ir£1	216		Q15.3%	2.9	6.3	7.7
£15	£11½	Bank Leumi	£15		–	–	–	–
350	240	Bk. Leumi (UK) £1	350		12.4	–	5.0	–

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS – Contd

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES – Contd

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING – Contd

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS (Miscel.) – Contd

[illegible]

INSURANCES

[illegible]

هكذا من الأصل

Gulliver wins battle for control of Waverley

BY PHILIP COGGAN

THE BATTLE for Waverley Cameron, the Scottish stationery group, appears to be over. Yesterday, Flavell Communications, a private company controlled by Mr Kevin Doyle, agreed to drop its takeover bid and vote in favour of restructuring proposals.

Flavell has been convinced by an increase in the cash standby offer from Sanda Investments, a company controlled by Mr James Gulliver, chairman of Argyll Group, to 520p. Flavell will now accept the offer in respect of 148,000 shares and retain a further 100,000 shares.

Sanda will still be injecting £1.65m in new capital, in return for shares issued at 120p, thereby increasing its stake to 64 per cent. But under the original scheme, the value of the cash standby offer was just 270p compared with a market price of more than 400p.

Flavell objected to this plan as being unfair to shareholders. After building up its stake to 26 per cent, Mr Doyle's company then launched a 500p per share takeover bid. But Mr Doyle said yesterday: "I feel that shareholders are now being offered an exit route at a price which reflects the value of a controlling interest and a significant increase in the value of their shareholding."

The withdrawal of Flavell's opposition means that the Sanda deal looks certain to be approved by shareholders at an extraordinary meeting on February 17. Mr Gulliver, who will step down as Argyll chairman in September, plans to build Waverley Cameron into a consumer products and services group.

Trio buys 20% of Wilkes

BY DAVID WALLER

THREE SHEFFIELD-based investors yesterday took a 20.3 per cent stake in James Wilkes, maker of beer-mats and box-making machinery. In what is a management buy-in, the three men will assume management responsibilities with immediate effect.

The consortium consists of Mr Stephen Hinchliffe, an entrepreneur best known for his restructuring of the Wades furniture group; Mr Andrew Hartley, a Sheffield-based solicitor; and Mr Arthur Watt, a chartered accountant.

They paid a total of £1.443m to acquire 865,000 shares from Throgmorton Street Nominees.

Mr Hinchliffe will become chairman of Wilkes, Mr Watt its chief executive with responsibility for the manufacturing division and Mr Hartley will be responsible for strategic planning.

Of the original board members, only two will remain. Mr Mackenzie Hill have executive responsibility for the property division, and Mr Peter Nutting continues as executive deputy-chairman. Three other directors are resigning. The buy-in follows previous boardroom changes in May last year.

In the first half of 1987, Wilkes reported pre-tax profits of £384,000 on turnover of £3.33m.

The three new investors intend to expand the company by acquisition.

Wilkes' shares closed 3p down at 155p, 10p below the price paid by the consortium.

Finlan placing to raise £3m

BY NIKKI TAIT

Finlan Group – which has interests ranging from property development to paper and building materials distribution – yesterday announced it was raising £3.1m through a placing of 4.765m new shares at 72p.

At the same time, the company unveiled plans to buy UCM Timber Group, a timber agent, and JC Gilbert, a trader in animal by-products, from the Saudi Arabian-controlled UCM group for £225,000 in cash.

It has also entered into a conditional agreement with WCRS Mathews Marcantonio, an advertising agency, over the acquisition of certain central London properties. The WCRS deal was announced in November, although the terms have now altered slightly.

UCM Timber reported a trading profit of £449,000 in 1986, and a pre-tax profit of £71,000; shareholders' funds at the year-end stood at £176,000. Unaudited management accounts for the by-products business suggest profits before tax of £127,000 in the same period, on sales of £6.1m.

The terms of the acquisition of Midtown, which holds certain WCRS property interests, have been revised to 2.1m ordinary shares, with a further consideration of up to 4.5m shares payable depending on profits. The initial 2.1m shares will give WCRS, together with Midtown's managing director, Mr Nigel Morrison, an 8.2 per cent interest in Finlan's enlarged ordinary capital.

Finlan says that the placing, which contains a clawback for existing shareholders, will raise £1.5m-worth of additional working capital for UCM Timber, and that the balance will go towards the property operations.

Directors, together with Drayton Consolidated Trust (which owns convertible preference shares in Finlan) have agreed to take up their maximum entitlements under the open offer; this represents about 13.3 per cent of the issue.

OIS to discuss possible bid

By Steven Butler

A possible bid for Oilfield Inspections Services Group was signalled yesterday by Mr Paul Bristol, who acquired a 23 per cent stake in the USM-listed company last year.

Ifincorp Earl, said yesterday it was advising Mr Bristol and would meet the OIS board to discuss his intentions. The talks could lead to an offer for the company close to the current market price or to a disposal of Mr Bristol's holdings.

OIS, which engages in non-destructive testing and inspection was hurt by the steep decline in oil exploration activities following the 1986 oil price fall. It lost £186,000 in the first half of 1987, on turnover of £4.89m.

The company has been moving to reduce its dependence on the oil and gas sector and last year took a 74 per cent stake in BIX, a West Midlands supplier of inspection services to the power generation, nuclear reprocessing and manufacturing industries.

Further international expansion for Laporte

BY ANDREW HILL

Laporte Industries, international chemicals group, has bought three chemical companies supplying the building and construction industry in the US, West Germany and Australia, in separate deals worth a total of about £13.4m.

In the US, Laporte has bought Tamms Industries for $10m (£5.7m). In Germany, Hey'di of Bremen has been acquired for DM15m (£5m), and in Australia, Laporte's offer for Ormonoid has become unconditional, with more than 80 per cent of the shares secured in a A$6.63m (£2.7m) deal.

Tamms, which manufactures speciality colouring pigments, mortars and grouting products, will complement Laporte's other North American building products companies.

Hey'di is Laporte's first acquisition of a building chemicals company in continental Europe.

Ormonoid specialises in damp proofing and various water repellant products complementary to the product range of other Laporte businesses in Australia.

Mr Ken Minton, chief executive, said yesterday that since 1982 Laporte's building products operation had grown into a major core business with sales in excess of $100m per year.

The company expected continued growth and development of its interests in the sector, he added.

BP stake raised

The Kuwait Investment Office said yesterday it had bought another 2m partly-paid BP shares, raising its stake to 19.27 per cent. The shares were purchased at 76p on Tuesday.

AMI set to raise £50m from flotation

By Philip Coggan

AMI Healthcare, a UK private medical group, is joining the main market via an offer-for-sale which will raise just under £50m and value the group at £142.5m.

Around 23.2m shares are on offer at 215p each.

Pro-forma pre-tax profits last year, after allowing for the benefits of the restructuring programme and the offer, were £15m, putting the shares on a p/e of just under 15 at the offer price.

The issue has been underwritten by S G Warburg, Goldman Sachs and Salomon Brothers.

● comment

Like the other current offer – London Forfaiting – AMI Healthcare is a company that is difficult to classify and thus to value. There is little doubt that the private healthcare market is growing and, under the current government, could well grow even faster. AMI already has the hospitals in place, has asset backing and after the financial restructuring, the trading record appears solid. Most of the worries about the company are long term. Will the US parent, which has had its problems recently, be forced to sell more of its stake? Will the costs of updating medical technology, which are hitting the NHS, also affect private companies? And will US-style punitive settlements in health cases spread to the UK? But in the short term, the prospects for the company look healthy enough, and the neurotic condition of the stock market, between now and application date, represents the greatest threat to the offer's well-being.

Dixons sees Wigfalls victory as B&F lapses rival offer

BY NIKKI TAIT

Bennett & Fountain, the acquisitive electrical goods retailer and wholesaler, has finally decided to bow out of a prospective bid battle with the substantially larger high street retailer Dixons, over the Sheffield-based Wigfalls chain.

Bennett & Fountain had opened the bidding for Wigfalls with a recommended paper offer, only to be topped – to the tune of £2m – by a £16m cash bid from Dixons. Faced with Dixons' higher cash terms, the Wigfalls board switched allegiance. For the past week, B&F has been considering its options, aware that Dixons had acquired well over one-third of Wigfalls shares through market, compared with its own 28 per cent stake (shares owned or irrevocably pledged).

B&F announced yesterday that "provided the document containing the offers on behalf of Dixons Group is posted," it intends to lapse its offers for Wigfalls. Mr Stephen Coleman, finance director, described the decision as "a shame", but said B&F had felt that Dixons was in a position to top whatever it offered. The company, he suggested, felt that it could build up retail outlets more profitably through smaller deals – adding that the Wigfalls offer had generated some approaches from private company vendors.

Dixons said it felt the decision "was to be expected", and it hoped to get the offer document out today.

Huntingdon advances 17%

A 17 PER CENT improvement in pre-tax profits, from £1.91m to £2.23m, was reported by Huntingdon International Holdings, for the three months ended December 31 1987. In the year to September the taxable result was £8.93m against £6.38.

Cambridgeshire-based Huntingdon is involved in biological safety testing, engineering consultancy and analytical chemistry services.

Revenue for the period rose to £12.23m (£10.09m) and the directors said that demand for the group's biological safety testing services continued at the high levels experienced during 1987. The current amount of work booked gave a reasonable expectation that 1988 would be yet another record year for that sector.

Environmental and industrial hygiene services, the two major development areas for the group in the US, were beginning to reap the benefits of the substantial investment made. Further investment was planned in the near future, the directors said.

After a lower tax charge of £544,000 (£565,000), earnings per share worked through at 20.2p (16.6p) or $0.379 ($0.312).

NEI bid goes unconditional

Northern Engineering Industries, the Newcastle-based manufacturer of power generation equipment, yesterday declared its recommended bid for Victor Products unconditional. Victor is a neighbouring mining equipment group.

By Tuesday NEI had received acceptances from holders of 71.4 per cent of Victor's shares. When added to its existing stake, this gave the engineering company control of 89.3 per cent of its target's equity. Acceptances in respect of NEI's cash alternative came in respect of 2.35m shares, or 30 per cent. The cash offer has now closed.

Three further purchases for acquisitive Wace

BY HEATHER FARMBROUGH

Wace, the pre-press group, yesterday added to its current expansion programme with the announcement of three further acquisitions. It is paying an initial consideration of £250,000 for Andrew Geller Morriss of Stevenage, which provides design and marketing services and Electronic Color Systems of Nottingham, which is engaged in colour reproduction.

The acquisition of Duplichrome, a Birmingham-based company specialising in colour reproduction, will help consolidate Wace's services in the Midlands. It is anticipated that shared investments in new technology, lower costs and increased capacity will follow.

The directors of the three companies all had three year remuneration contracts and a substantial equity interest. "One of our fundamental principles is to buy good management," said Mr Clegg. Last year, Wace made nine trading company acquisitions.

It was also announced yesterday that Wace is to seek shareholders' authority to purchase up to 2.5m of its own shares (some 10 per cent).

WPP confirms £20m US purchase

By Feona McEwan

WPP, the marketing services group which last year took over the Madison Avenue-based J Walter Thompson Group, yesterday confirmed its acquisition of Anspach Grossman Portugal, one of the leading corporate identity specialists in the US.

The maximum purchase price is $36m (£20.54m) of which $12m in cash will be paid up front. Further stage payments in cash and shares will be made in 1989, 1991, 1992 and 1994 and will be conditional on AGP's post-tax profits.

Shares issued to the vendors will be held for a minimum of three years and the final consideration will be based on a multiple of 10 times the average after-tax earnings for the years ending December 1993.

AGP, which is based in New York and San Francisco, saw adjusted pre-tax profits of more than $2.5m in the year to February 1987 on turnover of more than $6m. Projected revenues for 1988 are $7.3m.

Ossory buys from Norwich Union

Ossory Estates, retail property developer, is to buy eight properties from Norwich Union, for £5.15m in cash. Ossory will pay £1m immediately and the balance of £4.15m on August 19.

The properties, valued at £5.17m, are light industrial warehouse and shop units. The current rent roll for them is £489,000 and they will be added to the stock of properties for resale.

Account Dealing Dates			
First Dealings	Option Declarations	Last Dealings	Account Day
Jan 11	Jan 21	Jan 22	Feb 1
Jan 25	Feb 4	Feb 5	Feb 15
Feb 8	Feb 18	Feb 19	Feb 29

*New time dealings may take place from 9.00 am two business days earlier.

Gilts and equities continue to advance but trading remains thin in both sectors

THE UK SECURITIES markets continued their cautious rally yesterday as a firm pound, and a further easing in London money market rates, soothed City fears of another rise in domestic interest rates – if only for the day. Turnover in equities remained dismally thin and share prices made little headway until the last hour, when Wall Street opened sharply higher.

Bonds also responded well to sterling's improvement, although renewed demand for Index-linked issues betrayed the market's underlying worry over the inflation outlook in the UK.

Securities trading houses have clearly squared their books ahead of the announcement tomorrow of the US trade figures for December. But City analysts point out that the underlying worries in UK markets are rooted in the prospects for domestic inflation and interest rates.

Equities managed to stay above FT-SE 1700 in an erratic session featured once again by a virtual absence of institutional interest. Seaq-traded volumes slumped to below Christmas Eve levels during the morning, while the day's total of 325.5m shares, which included the late upturn, was only a shade above Tuesday's figure.

The FT-SE Index opened higher but dipped at mid-session when a securities house operated a small "sell" programme. The market then steadied but showed only a minor gain until New York came in with an early gain of 26 points.

At the close, the FT-SE 100 Index was a net 11.3 points up at 1718.5. The firm pound failed to upset the exporting stocks, which joined in the general relief at the easing of interest rate tensions.

With the trading statement more favourable than expected, **Reuters** moved higher. **Glaxo** provided one of the day's highlights, supported by US buying stimulated by a recent circular from Salomon Bros, which recommended share purchases ahead of Glaxo's interim results, expected on March 14. With a rights issue now looking less likely, **ICI** found buyers again.

Government bonds were in good form, although retail interest remained thin. After shading lower at first, the longs moved up at the end of the session to close with net gains of ⅛ to ½.

Further demand for Index-linked stocks brought the expected sales by the Bank of its two recently-introduced IL taplets. The authorities sold some Treasury 2½pc '11 at 105½, and then withdrew, only to repeat the process with the Treasury 2½pc '24, some of which was sold to the market at 78¾.

Reuters, the international communications group, rallied further yesterday to close 29 better at 478p as the company announced a 37.4 per cent increase in pre-tax profits to £178m for 1987.

Although City fears about a fall off in demand for the company's client systems proved well founded - orders dropped sharply after the October crash - the group pointed out that this was offset by the availability of the new Equities 2000 product for dealers. The company added that the total new order rate remains good enough to produce further vigorous growth in 1988.

BP were easily the most active stock in a relatively subdued oils market with 4.3m of the "old" fully-paid and 8.8m of the "new" partly-paid traded via the SEAQ system. The "old" settled unchanged at 259p, after 261p but the "new" were finally a penny harder at 77p after the Kuwait Investment Office announced it had increased its stake in BP, via purchases of the partly-paid, to 19.27 per cent.

The KIO was thought to have been back in the market yesterday and to have acquired between 2m and 3m additional partly-paid shares. BP were unaffected by the denial by the Treasury that a statement on the outcome of discussions between BP and the Government about the proposed acquistion of Britoil is imminent.

Other oil shares were generally held back by the slide in crude oil prices. But **Calor** moved against the trend and edged up 5 to 560p and **Ultramar**, still helped by persistent takeover stories, hardened a shade to 242p.

Storehouse came under sustained selling pressure early in the session and dropped to 224p at one point before steadying later and closing a net 6 off at 231p with turnover approaching the 7m mark.

The wave of selling at the outset followed moves by Citicorp Scrimgeour Vickers and Warburg Securities to lowertheir profits forecasts for the company. Both lowered their estimates for 1988 from £122m to £113m and for 1989 from £140m to £130m. Other securities houses were said to be adjusting their figures for Storehouse.

British Land, the property and development group, reacted sharply to news that Mr John Ritblat, chairman, is the subject of a DTI investigation into share dealings in **Peachey Property**; BL's shares dipped to 243p at one stage prior to closing a net 14 down at 249p on the announcement that Inspectors are investigate trading in Peachey last year when the shares soared as a British Land subsidiary was reported to have sold a stake in the equity. Peachey shares shaded to 381p.

Britannia Arrow, the fund management group, attracted support as word went round of a "buy" recommendation. Through the Topic screen service of Phillips & Drew, the securities division of the Union Bank of Switzerland, analyst Mr Simon Coombe advised clients of a downgrading of his profits estimates for both this and next year. The 1989 forecast has been slashed from £46m to only £25m, while the prediction for the current period is reduced from £46m to £40m.

Mr Coombe says the shares have underperformed lately and stand at a 12-month relative low. But on expectations that the dividend will be slightly raised to 5.7p, giving a yield of 8.7 per cent, the shares should be bought. Britannia Arrow rose 5 yesterday to 95p.

Pearson closed 10 higher at 709p; it was announced yesterday that News Publishing Finance, a unit of News Corporation, is issuing 150,000 exchangeable guaranteed redeemable preference shares priced at US$1.000 which will be convertible into Pearson shares.

The News Publishing shares, which mature on March 21 1988, will be exchangeable into Pearson shares at a premium of 24 to 26 per cent over their close in London on February 18.

Bank stocks were featured by the exceptional weakness of **NatWest** which dropped to 563p before closing a net 12 off at 566p on a turnover of 3.4m shares. Dealers said there were rumours in the market that a leading securities house had reduced its profits forecast for the group ahead of the February 23 preliminary results. There were also stories circulating that **Lloyds Bank** could well make a rights issue to to help fund further provisions against third world debts; Lloyds shares eased 2½ to 247½p on a turnover of 2.9m. Talk of a "sell" circular in **Midland Bank** had little impact on the latter's shares which settled 3 higher at 395p.

Continuing speculation over the reasons for the Elders IXL purchase of a 2 per cent shareholding stimulated fresh activity in **Scottish & Newcastle**, the Edinburgh-based brewing group. S & N shares managed a small gain initially but the higher price level tempted short-term investors to take profits and the price eased to close a net 2 lower at 239p.

George Wimpey, the major UK contractor, revived strongly with a gain of 8 at 233p as bid speculation revived. Any predator, however, would probably need the agreement of the charitable foundation, Grove Charity Management, which holds a 35 per cent stake in the company. Brick maker **Steetley** gained 11 to 300p on rumours that CSR could be preparing a offer while **Manders**, another current takeover favourite, moved up sharply following press comment to close 15 higher at 360p. **Marley**, reflecting hopes of increased roof tiling business following further storm damage to property in the UK, firmed 5 to 144p. Buyers returned for **Ward Holdings**, up 7 at 181p, and recently- neglected **Taylor Woodrow** picked up 5 to 371p.

ICI took a modest turn for the better, closing ⅛ higher at £10¼.

The Storehouse downgrading, coming hard on the heels of the Citicorp downward revision of Marks and Spencer, unsettled the rest of the retailing sector which dipped sharply around midday before steadying towards the close.

Woolworth, in particular, were hit by rumours of an imminent move by a leading broking house to lower its profit estimates and dropped to 258p before rallying and ending the day a shade firmer at 264p. There was widespread selling of GUS "A", which dipped 18 to 1042p.

Headlam Sims raced up to 100p early on reflecting bid speculation but later dipped back to close unchanged on the day at 85p after the company denied stories of an injection of assets or imminent bid.

British Telecom, still strongly supported by a leading US securities house and where there was substantial buying of the ADR's, moved up 4½ to 240½p on a turnover of 4.7m shares while **Cable and Wireless** rose a like amount to 337p on turnover of 2.3m shares. The recent buy recommendation by UBS Phillips and Drew prompted further buying of **Ferranti**, 2 harder at 81p while news of the £36.5m order from the British Army for a computer communications system boosted **Plessey** 2 to 144p/ GEC continued to attract a heavy two–way trade and settled a fraction firmer at 149p. Among other electricals **Sigmex** dropped 10 to 55p following the interim loss.

Hawker Siddeley, still reflecting Hanson stakebuilding rumours, advanced afresh to close 11 dearer at 469p. Turnover, however, was only modest with under 1m shares changing hands. **GKN** firmed 6 to 290p in the wake of the announcement of a joint venture with Jaguar for the supply of all major body pressings for the Jaguar/Daimler range of saloon and high performance cars. **TI Group** were noteworthy for a rally of 15 at 318p, but **Westland** closed 3 lower at 79p despite a denial that the Anglo-Italian EH101 helicopter project was behind schedule.

A recommendation by a leading broking house to switch out of **Unigate** into **Northern Foods** benfited the latter which, on a turnover of some 3m shares, gained 3 to 283p. In the circumstances, Unigate performed well and closed 6 dearer at 289p. On the other hand, **Associated Biscuits** dipped 5 to 290p amid talk that a line of stock was overhanging the market and **Dalgety** drifted back to close 8 cheaper at 307p. **S. & W. Berisford** gave up 6 at 315p owing to a lack of support in the wake of recent cautious note from County NatWest.

Grand Metropolitan edged forward helped by a Citicorp Scrimgeour Vickers recommendation and the close was 7 dearer at 451p. **Trusthouse Forte**, virtually untested in recent days, added 3 to 218p.

Apart from **Glaxo**, up ⅛ at £10¼, the leading international stocks recorded few movements worthy of note. Trading conditions remained extremely slow, but **BOC** managed a further rise of 8 at 393p awaiting today's announcement of the first quarter figures. Analysts are looking for around £61m pre-tax, but Nomura Research in a recent review of the company are predicting a figure of £63.5m. **Pilkington**, a dull market recently in the wake of the Ford Motor industrial dispute, rallied 6 more to 218p. **Hanson**, currently being recommended by Warburg Securities (WS), the London investment house, to its UK and US clients were one of the few actively traded stocks and closed 7½ higher at 134½p in a volume of 5.3m shares. WS point out that if the rumoured disposals come to fruition the group will have around £1.3bn excess cash. Additionally, WS state that the Hanson share price is currently at a 10 per cent discount to the market and looks oversold.

Avis Europe, the subject of a current buy recommendation from Citicorp Scrimgeour Vickers, attracted occasional demand and closed a couple of pence to the good at 297p. **Granada** firmed 8 to 324p following a presentation with Hoare Govett, while **Norcros** met with speculative demand and put on 8 to 410p.

Motor distributors with a relatively high exposure to the Ford strike came under pressure again and **Perry** closed 15 down at 199p while **H & J Quick** lost 10 to 228p. **Rover**, a rising market since production was halted at Ford, gained 4 further to 69p. Elsewhere, **Airflow Streamlines** fell 10 to 143p.

Favourable conclusions on the latest US expansion underpinned the shares of **United Newspapers**. Phillips & Drew say the US acquisition is a strong cash generator. Interest should be focused on UN shares ahead of the annual results due on March 30. **Maxwell Communication** rose 6 further to 250p while **EMAP** gained 6 to 290p on reports of a seminar for fund managers.

Wace benefited from the heavy buying in its own shares. Fresh acquisitions were also announced and Wace settled 7 higher at 195p. Confirmation of the purchase of Anspach Grossman Portugal, one of the largest corporate identity design consultants in the US, left **WPP** slightly higher at 425p.

Funds resulting from the heavy sales yesterday of British Land were not reinvested in the property sector and the leaders managed only modest progress. **Land Securities** added a penny at 470p and **MEPC** 3 at 452p. Elsewhere, **Egerton Trust** responded to bumper annual profits with a gain of 13 to 186p, while **Rivlin** gained 11 to 114p on bid hopes.

Increased annual earnings nudged **Kleinwort Overseas Investment Trust** higher to 114p while **TR City of London** improved to 67p after announcing interim figures.

Traded option business contracted with the total number of contracts down to 20,227. Calls came out at 13,023 and puts 7,204. **BT** attracted the lion's share of the business, calls totalling 2,595, 1,352 of which were in the May 220's. BT puts amounted to 1,059. The **FTSE** contract attracted 899 calls and 1,000 puts.

Traditional Options

- **First dealings Feb 1**
- **Last dealings Feb 12**
- **Last declarations May 5**
- **For Settlement May 16**

For rate indications see end of London Share Service

Dealers reported a quieter trading session in the Traditional option market. Money was given for the call of **Pilkington, Ossory Estates, Plessey, Epicure, Jaguar, B. Matthews, Armour Trust, Marks and Spencer** and **Lambert Howarth**. A put option was arranged in **Intereurope**, while a double was transacted in **Plessey**.

FINANCIAL TIMES STOCK INDICES

	Feb. 10	Feb. 9	Feb. 8	Feb. 5	Feb. 4	Year Ago	1987/88 High	1987/88 Low	Since Compilation High	Since Compilation Low
Government Secs	88.63	88.43	88.17	89.08	89.25	85.80	93.32 (8/5/87)	83.73 (19/10/87)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	94.92	94.95	94.77	95.59	95.74	92.67	99.12 (15/4/87)	90.23 (2/1/87)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1368.4	1355.9	1349.0	1387.1	1410.9	1508.9	1926.2 (16/7/87)	1232.0 (9/11/87)	1926.2 (16/7/87)	49.4 (26/6/40)
Gold Mines	259.0	254.5	249.0	251.0	241.7	320.7	497.5 (4/8/87)	241.7 (4/2/88)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div. Yield	4.55	4.60	4.63	4.50	4.43	3.77				
Earnings Yld. % (full)	11.48	11.59	11.66	11.34	11.18	8.86				
P/E Ratio (net) (*)	10.64	10.54	10.48	10.77	10.93	13.83				
SEAQ Bargains (5pm)	20,733	22,634	27,892	27,484	22,715	42,758				
Equity Turnover (£m)	-	812.76	940.65	1019.98	1167.51	1581.92				
Equity Bargains	-	26,138	31,715	32,179	28,495	59,661				
Shares Traded (ml)	-	331.0	434.9	455.8	425.1	-				

S.E ACTIVITY Indices	Feb.9	Feb.8
Gilt Edged Bargains	137.5	147.5
Equity Bargains	169.4	205.5
Equity Value	1642.8	1901.3
5-Day average		
Gilt Edged Bargains	139.3	142.4
Equity Bargains	187.5	190.7
Equity Value	1981.8	2062.6

♥ Opening	10 a.m.	11 a.m.	12 p.m.	1 p.m.	2 p.m.	3 p.m.	4 p.m.
1358.6	1361.0	1364.8	1365.1	1359.5	1360.0	1362.0	1364.3

Day's High 1368.9 Day's low 1357.5

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, S E Activity 1974, * Nil=10.55.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

NEW HIGHS AND LOWS FOR 1987/88

NEW HIGHS (2)

BUILDINGS (1) Douglas (Robt. M), PAPERS (1) Usher Walker.

NEW LOWS (20).

AMERICANS (1) Image Storage /R Sys., ELECTRICALS (1) Appl'd H'graphics, ENGINEERING (1) Thornton (G.W.), FOODS (1) Daniels (S.), INDUSTRIALS (2) Aberfoyle Hldgs., Platon Intl., PROPERTY (1) DPCE, TRUSTS (3) TR Natural Resources, Ferguson (J), Ind. Fin. & Inv., MINES (10).

FT – ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Wednesday February 10 1988

[illegible]

FIXED INTEREST

[illegible]

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls Jul.	Calls Oct.	Puts Apr.	Puts Jul.	Puts Oct.
Allied Lyons (*334)	300	43	48	–	5	15	–
	330	24	32	40	16	28	32
	360	11	20	28	35	45	48
Brit. Airways (*156)	140	22	27	31	4	10	12
	160	11	15	22	13	20	23
	180	4	8	15	28	33	38
Brit. & Comm. (*290)	280	30	37	–	17	23	–
	300	18	27	35	27	32	37

[illegible]

Option		Calls Feb	Calls May	Calls Aug	Puts Feb	Puts May	Puts Aug
LASMO (*297)	280	22	43	60	4	30	40
	300	8	33	50	15	42	55
	330	1	19	33	35	58	70
P. & O. (*523)	500	27	48	67	5	25	40
	550	6	28	43	35	57	68
	600	–	15	–	–	95	–
Pilkington (*217)	200	18	35	38	2	10	15

[illegible]

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Stock	Volume 000's	Stock	Volume 000's
ASDA-MFI	1,700	Enterprise Oil	895	Prudential	302
Allied-Lyons	1,300	Fisons	1,700	Racal	2,300
Amstrad	1,300	Gen. Accident	397	Rank Org.	1,200
Argyll Group	2,200	Gen. Elect	4,900	RMC	36
Assoc. Brit. Foods	320	Glaxo	1,900	RHM	940
BAA	498	Globe Investment	673	Reckitt & Col.	123
BAT	802	Granada	694	Redland	900
BET	727	Grand Met	1,200	Reed Intl.	725
BICC	342	GUS A	533	Reuters	1,400
BOC	1,000	Guardian R.E.	110	RTZ	1,300
BPB Inds	993	GKN	1,400	Rolls-Royce	1,500

[illegible]

RISES AND FALLS YESTERDAY

[illegible]

LONDON RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

هكذا من الأصل

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Uncertainty depresses dollar

THE DOLLAR finished towards the lower end of the week's trading range as nerves started to tighten ahead of tomorrow's release of December US trade figures. Estimates differed enormously but as one trader pointed out, the actual amount was likely to take second place, regarding its effect on the dollar, behind its variance with market expectations.

Comments made on Tuesday night by Mr Clayton Yeutter, US Trade Representative, that the deficit would contract as the year progresses, regardless of whether December's figures are encouraging, were not taken in the best light. Mr George Shultz, US Secretary of State suggested that the deficit would improve sharply later this year, but all this left the market less than impressed.

There was simply no incentive to take a risk on positions and most traders were content to remain as square as possible. US wholesale inventories for December showed a rise of 0.6 p.c, and with a good percentage of stock building in the durable goods sector- renowned for its high import content- some analysts suggested that this could be less than encouraging for December's deficit.

The dollar fell to DM1.6900 from DM1.7000 and Y129.0 compared with Y129.15. Elsewhere it slipped to SFr1.3860 from SFr1.3925 and FFr5.7100 compared with FFr5.7350. On Bank of England figures, the dollar's exchange rate index fell from 95.2 to 94.8.

STERLING-Trading range against the dollar in 1987/88 is 1.8785 to 1.4710. January average 1.8001. Exchange rate index rose to 74.4 from 74.0 at the opening and 73.9 on Tuesday. The six-months ago figure was 71.9.

Sterling erased Tuesday's losses and finished at its best level of the day. The recent decline had been overdone, some traders suggested, and with most sectors of the market still expecting a further rise in base rates at some point, the pound regained its composure.

The pound rose to $1.7615 from $1.7465 and DM2.9775 against DM2.9700. It was also higher against the yen at Y227.25 from Y225.50. Elsewhere it finished at SFr2.4425 from SFr2.4325 and FFr10.0575 compared with FFr10.0175.

D-MARK-Trading range against the dollar in 1987/88 is 1.9305 to 1.5740. January average 1.6547. Exchange rate index 149.3 against 145.4 six months ago.

The dollar slipped away towards the close of business in Frankfurt, finishing at DM1.6915 from DM1.7055. Traders reported very little volume, which led to some erratic movements during the day.

A fall in West German foreign currency reserves in the first week in February, reflected repayment made by other central banks, notably the Bank of France, of loans made late last year to control movements of currencies within the EMS. This led to speculation that the Bank of France had been selling dollars above DM1.70 and buying D-Marks, in order to repay the Bundesbank.

JAPANESE YEN-Trading range against the dollar in 1987/88 is 159.45 to 121.35. January average 127.77. Exchange rate index 239.9 against 214.5 six months ago.

With markets in Tokyo closed today and US and Japanese trade figures due for release tomorrow, the scene was not ideally set for a day of activity. The dollar managed to show a small improvement by the close over its New York finish of Y128.85, at Y129.05.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu Feb.10	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	43.1897	+1.72	+0.99	±1.5344
Danish Krone	7.85212	7.92361	+0.91	+0.18	±1.5404
German D-Mark	2.05853	2.06522	+0.32	-0.41	±1.0981
French Franc	6.90403	6.97238	+0.99	+0.26	±1.3674
Dutch Guilder	2.31943	2.31908	-0.02	-0.75	±1.5012
Irish Punt	0.768411	0.776128	+1.00	+0.27	±1.6684
Italian Lira	1483.58	1520.25	+2.47	+2.18	±4.0752

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ IN NEW YORK

Feb.10	Latest	Previous Close
£ Spot	1.7602-1.7612	1.7520-1.7530
1 month	0.33-0.30pm	0.31-0.29pm
3 months	1.13-1.08pm	1.12-1.10pm
12 months	4.20-4.10pm	4.21-4.17pm

Forward premiums and discounts apply to the US dollar

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

Feb.10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7480-1.7645	1.7610-1.7620	0.32-0.31cpm	2.15	1.12-1.07pm	2.49
Ireland†	1.5685-1.5770	1.5760-1.5770	0.18-0.14cpm	1.22	0.70-0.60pm	1.65
Canada	1.2670-1.2711	1.2685-1.2695	0.18-0.22cdis	-1.89	0.51-0.56dis	-1.69
Netherlands	1.8938-1.9060	1.8975-1.8985	0.45-0.43cpm	2.78	1.28-1.25pm	2.66

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 35.35-35.45.

STERLING INDEX

CURRENCY RATES

All SDR rates for February 9

POUND SPOT- FORWARD AGAINST THE POUND

CURRENCY MOVEMENTS

EURO-CURRENCY INTEREST RATES

OTHER CURRENCIES

*Selling rate

EXCHANGE CROSS RATES

Yen per 1,000: French Fr. per 10: Lira per 1,000; Belgian Fr. per 100.

FINANCIAL FUTURES

Subdued trading ahead of data

GILT PRICES recovered from a weak start in Liffe markets yesterday, to show modest gains over Tuesday's close. A better performance by sterling and a small reduction in cash rates encouraged buyers off the sidelines.

However trading volume remained relatively light, in view of the release on Friday of important trade data. Long gilts suffered from light profit taking at the start but as the pound improved and US bonds made modest gains, the early trend was reversed.

Traders took a more relaxed attitude after a frantic start to the week and although the odds still remained in favour of another rise in base rates, Chancellor Nigel Lawson made it clear that the authorities were not likely to be rushed by a short term frenzy in market trends. One trader suggested "we expect a rise in base rates when no-one expects it".

The pound's recovery certainly restored some degree of composure and the March gilt recovered from an opening price of 118-22 to finish at 119-06, up from 118-27 on Tuesday.

Three-month sterling deposits performed in much the same way, although the March price opened unchanged from Tuesday's close at 90.48 before edging up to 90.52 at the close.

US trade figures played a key part in market philosophy. Mr Nick Parsons at Union Discount suggested that a deficit of less than $11bn could see rates moving firmer while a figure above $13bn would probably lessen the chances of an early rise in UK rates.

US Treasury bonds for March delivery moved up to 94-28 at the close.

LIFFE LONG GILT FUTURES OPTIONS

LIFFE US TREASURY BOND FUTURES OPTIONS

LIFFE FT-SE 100 INDEX FUTURES OPTIONS

LIFFE E/$ OPTIONS £25,000 (cents per £1)

LONDON SE £/$ OPTIONS £12,500 (cents per £1)

PHILADELPHIA SE £/$ OPTIONS £12,500 (cents per £1)

LIFFE- EURODOLLAR OPTIONS

LONDON

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

7-10 YEAR 9% NOTIONAL GILT £50,000 32nds of 100%

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100%

THREE MONTH STERLING £500,000 points of 100%

FT-SE 100 INDEX £25 per full index point

THREE MONTH EURODOLLAR $1m points of 100%

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

U.S. TREASURY BILLS (IMM) $1m points of 100%

JAPANESE YEN (IMM) Y12.5m $ per Y100

DEUTSCHE MARK (IMM) DM125,000 $ per DM

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev.
Mar				93.18
Jun				93.04
Sep	92.77	92.79	92.77	92.73
Dec	92.46	92.49	92.46	92.42
Mar	92.18	92.21	92.18	92.15
Jun	91.96	91.98	91.96	91.93
Sep	91.78	91.80	91.78	91.75
Dec	91.62	91.63	91.62	91.59

SWISS FRANC (IMM) SFr 125,000 $ per SFr

	Latest	High	Low	Prev.
Mar	0.7268	0.7271	0.7248	0.7231
Jun	0.7355	0.7355	0.7330	0.7313
Sep	0.7435	0.7435	0.7420	0.7396
Dec	0.7523	0.7523	0.7523	0.7478

STANDARD & POORS 500 INDEX $500 times index

	Latest	High	Low	Prev.
Mar	254.40	254.55	253.90	254.90
Jun	255.70	255.50	255.30	256.15
Sep	256.75	-	256.75	257.55
Dec	258.15	258.45	258.15	258.95

CURRENCY FUTURES

POUND-$ (FOREIGN EXCHANGE)

IMM-STERLING $ per £

LIFFE-STERLING £25,000 $ per £

MONEY MARKETS

UK rates lower

UK INTEREST rates took heart from sterling's better performance and eased an eighth of a point yesterday. Recent comments by Chancellor Nigel Lawson convinced traders that as long as sterling remained reasonably steady against the D-Mark, then the authorities would resist market pressure for a rise in base rates.

Three-month interbank money fell to 9[illegible]-9[illegible] p.c. from 9[illegible]-9[illegible] p.c. while the one year rate eased to 9[illegible]-9[illegible] p.c. from 9[illegible]-9[illegible] p.c. Overnight money opened at 7¾-7½ p.c. and eased to a low of 6 p.c. before finishing bid at 9½ p.c.

UK clearing bank base lending rate 9 per cent from February 2/November 5

Discount houses unloaded a further batch of longer dated paper but the urgency seen on Monday and Tuesday was less apparent and all bill sales were effected at the Bank's dealing rates.

The Bank of England forecast a shortage of around £250m with factors affecting the market including a rise in the note circulation of £110m and banks' balances brought forward £60m below target. The repayment of any late assistance and bills maturing in official hands together with a take up of Treasury bills, accounted for a further £58m while Exchequers transactions drained a nominal £5m.

The forecast was revised to a shortage of around £350m and the Bank gave assistance in the morning of £242m through outright purchases of £22m of eligible bank bills in band 3 and £220m in band 4 at 8⅞ p.c. A further revision took the shortage to £300m, before taking into account the morning help, and the Bank gave additional assistance in the afternoon of just £1m through outright purchases of eligible bank bills in band 4 at 8⅞ p.c.

The Bank announced a rate of 7[illegible] p.c. applicable to a one week rollover of temporary lending facilities, which were introduced on January 13 to overcome a shortage of funds, caused by seasonal tax payments.

In Frankfurt the Bundesbank allocated DM12.9bn at its 28-day sale and repurchase tender at a fixed rate of 3.25 p.c. This more than offset a maturing facility which drained DM8.0bn. The allocation was regarded as reasonably generous, helping as it will to offset payments on a DM3.2bn Federal bond and a DM6bn reduction in banks' rediscount quota facilities.

Call money was lower at 3.25-3.35 p.c. compared with 3.4-3.5 p.c.

FT LONDON INTERBANK FIXING

MONEY RATES

NEW YORK (Lunchtime)

LONDON MONEY RATES

Contracts & Tenders

ANNOUNCEMENT FROM

EREGLI IRON AND STEEL WORKS, INC., TURKEY

1- Announcement is hereby made for the following project within the "Capacity improvement and modernization project" in the integrated steel plant of Eregli Demir ve Celk Fabrika Lari T.A.S. Located at KDZ. Eregli, Turkey. Characteristics and the resume of the project are summarized as follows,

Project name : Port and Harbour Facilities

The contractor shall design and construct new port and harbour facilities for Erdemir adjacent to the existing harbour at Eregli. The harbour is located 200 km east of Istanbul and 40 km west of Zonguldak on the Black Sea of the North Coast of Turkey. The contractor will be responsible for thoroughly investigating the site and based on his investigations design, provide detailed construction drawings, develop the required quarry, and construct the harbour-consisting of: a) a new South breakwater approximately 1400 - meters in length, b) an extension of approximately 450 meters to an existing north breakwater, c) an unloading dock approximately 350 meters long for 150,000 dwt vessels, d) a concrete platform on piles for a 2500 tph ore unloading dock approximately 350 meters long for 40,000 dwt vessels, f) a concrete platform on piles for a 1500 tph coal unloading conveyor, and g) the dredging of approximately 6.000.000 cubic meters from the harbour and disposal of dredged material, the bid will be composed of a fixed price for investigation, design and drawings and a unit price for all - materials delivered. Since the entrance to the existing harbour is shared with both local fishing and military vessels, the construction must be carefully controlled to minimize obstruction to navigation as well as to prevent any interference with steel - operations within the steel works.

2- Tender documents for the project mentioned above may be obtained from the following address as of 18 February 1988 and after depositing 750.000.- Turkish lira to Erdemir cashier's office at KDZ. Eregli - Turkey indicating the project name.
Erdemir. Vice President purchasing
Foreign purchases department (SA. 17)
KDZ. Eregli Turkey

3- Bid Closing date is 31 May 1988 and no sealed bids shall be taken into consideration for evaluation if submitted to our above mentioned company address after the said date.

4- Our company reserves the right to place the order either partially or completely with any bidder or to cancel the tender - completely.
The receipt of quotations shall in no way be binding upon our company.

5- As the finance source, either suppliers's credit or any credit in foreign currency to be provided by Erdemir shall be utilized.

6- During the bidder's qualification, the following points shall be taken into consideration:
(a) bidders must have adequate experience for the establishment and/or modernisation of similar facilities. If the bidder is a trading company, the bids must be submitted together with other fully qualified sub-supplier(s) whose qualifications meet the above mentioned requirements.
(b) the sub-supplier(s) so selected by the bidders must be well experienced companies in their respective fields.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 33

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

Selector Asset Management Ltd
8 Crosby Sq, London EC3A 6AQ 01-588 6993/4/5

Selector Global Gth Ac	26.2	27.8	+0.1	–
Do. Income	26.0	27.7	+0.2	0.39
Selector European Ac	19.2	20.5	+0.1	–
Do. Income	19.2	20.5xd	+0.1	0.11
Selector UK Eq.Inc.Acc	34.8	36.7	+0.5	–
Do. Income	33.3	35.1	+0.4	5.45
UK Cap Gth Acc	21.9	23.1	+0.2	0.75
Selector Pac. Basin Acc	27.9	29.7	+0.3	–
Selector Hengt Exempt*	134.5	140.2xd	+0.9	–

*Unauthorised

Scottish Equitable Fund Mgrs. Ltd(z)
28 St Andrews Sq, Edinburgh 031-558 1051

Inst Income Units	122.0	129.8	–	3.62
Inst Accum Units	186.6	198.5	–	3.67
UK General Acc	35.7	38.2	+0.1	3.38
UK General Inc	34.6	36.8	–0.1	3.38
American	26.1	27.9	+0.2	2.13
European	33.2	35.5	–0.2	1.26
Japan	55.3	59.1	–	0.03
Technology	32.9	35.2	+0.2	2.79
Performance Trusts				
Far East Perf Tst	16.5	17.6	–0.2	2.00
High Inc Perf Tst Inc	22.8	24.4	–0.1	5.36
High Inc Perf Tst Acc	23.3	24.9	–0.1	5.36
Worldwide Tact Perf Tst	26.3	28.1	–0.2	2.71

Scottish Life Investments(z)
19 St Andrew Sq, Edinburgh 031-225 2211

Nelson (UK)	198.5	212.3	+0.4	2.80
Columbus (US)	125.1	133.9	+0.4	1.42
Marco Polo (Pac)	200.5	214.5	–0.9	0.37
Da Vinci (Eur)	210.6	225.3	–0.8	1.80
Drake (Wrld)	49.6	53.1	–	2.72

Scottish Mutual Investment Managers Ltd
109 St Vincent St, Glasgow G2 5HN 041-248 6100

UK Equity	192.7	205.0	+0.8	2.80
UK Smlr. Cos. Equity	198.7	211.4	+0.6	2.12
UK Special Situations	56.7	60.4	+0.4	3.27
Income Plus	50.2	53.5	+0.1	5.35
European	151.5	161.2	–0.4	1.64

Trades Union Unit Trust Managers
100 Wood Street, London EC2 01-606 4355

TUUT Feb 1	213.4	224.8	–	3.28

Triton Fd Mngrs. Ltd.
Royal Lds. Hse, Colchester CO1 1RA 0206 764400

Triton General	139.3	148.8	+0.4	1.67

Tyndall Unit Trust Managers Limited
25 Bucklesbury, London EC4N 248 3399

Convertible & General	58.2	61.7xd	+0.9	6.62
Accum Units	59.2	62.8	+0.9	–
Income	77.9	82.6	+1.3	4.77
Accum Units	77.9	82.6	+1.3	–
Smaller Co's	79.5	86.0xd	+0.2	2.10
Accum Units	80.4	86.9	–0.1	–
UK Growth	83.8	88.8	+0.5	2.74
Accum Units	83.8	88.8	+0.5	–
Pacific Gold Tst Acc	47.6	50.5	–	–

UK Unit Trust Managers Ltd
Worthing Road, Horsham, RH12 1SL 0403 60033

British Growth Fd	53.8	57.3	–	2.42
Technical Analysis Fd	47.7	50.8	–	3.41

Unit Trust Account & Mgmt. Ltd
20 Copthall Ave, London, EC2R 7PA 01-588 6064
Advisors: Henderson Crosthwaite Ltd

Friars Hse Cap Fd	172.9	183.3	–	1.65
Friars Hse Inc Fd	145.9	153.6xd	–	3.95

United Charities Unit Trusts (a)(c)(g)
Unicorn Hse, 252 Romford Rd, E7 01-534 5544

United Charities	163.5	173.9	+0.5	4.66

Vanguard Trust Managers Ltd
65 Holborn Viaduct, London EC1A 2EU 01-236 3053
Dealing Line: 01-236 2468

Chieftain	177.4	188.7	–	3.53
(Accum Units)	180.7	192.3	–	–
Far East & Gen	52.1	55.4	+0.1	0.01
(Accum Units)	52.1	55.4	+0.1	–
Master Portfolio	63.562	65.392xd	+0.322	3.12
(Accum Units)	65.325	67.000	+0.333	–
American & Gen	54.9	58.4	–	1.97

[illegible]

INSURANCES

[illegible]

Continued on next page

FINANCIAL TIMES Thursday February 11 1988

AMERICA

Dow continues advance on signs of easier credit

Wall Street

BOTH EQUITIES and bonds moved higher yesterday on hopes of lower interest rates and a lack of nasty surprises in tomorrow's December US trade figures, *writes Janet Bush in New York.*

The Dow Jones Industrial Average stabilised at around 26 points higher than Tuesday's close for most of the morning and then built steadily on its gains to close 47.58 points higher at 1,962.04.

Bonds also moved steadily higher. The Treasury's 8.875 per cent benchmark long bond due 2017 was quoted ¾ higher at midsession to yield 8.31 per cent and then rallied further to close ⅞ higher for a yield of 8.29 per cent.

The upward lurch in equity prices had started in the last few minutes of Tuesday's session when the Dow suddenly surged 20 points, a move apparently motivated by the sharp dip in the Fed Funds rate to a low of 4 per cent and speeded up as programmed trades were triggered.

Tuesday's gain was the first in five sessions and leant a more cheerful note to the market as it opened. The focus seemed to be on the chances of the US Federal Reserve easing monetary policy.

Its Federal Open Market Committee met on Tuesday and yesterday amid widespread expectations that it is in the process of easing credit in response to a series of economic statistics recently which have pointed to slower growth.

Tuesday's Fed operations were watched extremely closely by both the equity and bond markets and were taken by some as a sign that it is already erring towards easier policy. The Fed's draining of reserves was not as aggressive as market talk had suggested it would be and the Fed Funds rate plunged to a low of 4 per cent.

Although February is traditionally a fairly liquid month in the market and tends to see a tendency towards softness in the Fed Funds rate, the low rate has helped maintain a sense of optimism about lower rates.

The Fed Funds rate was quoted around 5½ per cent for most of the day, very low compared with its recent range. Many market participants believe the Fed may be targeting the rate at around 6½ per cent compared with around 6¾ per cent some weeks ago.

Positive speculation on interest rates, coupled with forecasts suggesting December's merchandise trade deficit will be similar to the $13.2bn shortfall recorded in November, helped improve the tone in the equity market.

At the same time, there was some caution about reading too much into Tuesday's late rise and the rally yesterday morning given the continued thinness of trading and the fact that the market had been well overdue for a bounce after four successive days of drifting lower.

Nevertheless, dealers reported genuine buying of stocks yesterday and speculated whether the market would have moved higher still if the New York Stock Exchange's curbs on programme trading (triggered when the Dow moves 50 points or more in either direction) had not been in place.

Activity on takeover stocks and dividend plays was again very much in evidence.

American Standard, facing a takeover bid from Black & Decker, yesterday added $¾ to close at $67¾. Black & Decker said it was seeking shareholders' consent to take control of the company which turned down its $65 a share bid on Tuesday and filed a suit to reverse American Standard's poison pill anti-takeover measures. Black & Decker's share price edged $⅛ higher to $19⅝.

Stop & Shop surged $2 to $36⅛ after news that Dart Group had boosted its tender offer to $37 a share from $31 previously. Dart said it was confident it could find the financing for the amended offer.

McGraw-Hill was one of the biggest movers yesterday, jumping $3⅜ to $55½ as takeover rumours swept the market. One possible bidder being talked about is Mr Robert Maxwell, the British newspaper publisher.

Manhattan Industries, the retailer and clothes manufacturer, gained $1 to $18. The company said the $16 a share offer by Salant Corp, a manufacturer of jeans, was inadequate and it was working with its adviser Shearson Lehman Hutton on alternatives.

Canada

MODERATE TRADING saw share prices in Toronto move in tandem with gains on Wall Street and close higher as advancing golds, base metals and energy issues pushed the market up.

The composite index rose 36.28 to 3039.45, its peak for the session.

Base metal issues were broadly higher. Noranda firmed C$⅛ to C$21¾, Alcan Aluminium gained C$1¼ to C$31¾ and Cominco rose C$⅜ to C$14½.

SOUTH AFRICA

A RISE in the bullion price to over $444 an ounce encouraged light buying and gold shares moved modestly higher in Johannesburg. The gold index rose 5 to 1,325.

Trading remained sombre as many investors awaited signs of stability. A higher financial rand also tempered activity.

Among leading gold stocks, Vaal Reefs fell R3.50 to R262 against the trend. Randfontein picked up R10.25 to R220.25 and Freegold gained 50 cents to R31.50. Driefontein rose 75 cents to R33.75 and Harties was up 25 cents to R21.50.

Mining houses were easier with Anglo American down 50 cents at R45.50 and Gold Fields R3 lower at R51.50.

Platinums firmed. Rustenburg advanced R1.25 to R23.50 and Impala 25 cents to R22.

Industrials were steady to easier, with Barlow Rand down 25 cents to R18.50 and South African Breweries 10 cents lower at R16.

Stefan Wagstyl explains how a search for value has focused attention on the market's second section

Small stocks outpace giants in post-crash Japan

FAMILY MART, a fast-growing supermarket chain, is one of this year's top performers on the Tokyo Stock Exchange.

Since early January, its shares have risen by more than 50 per cent, while the market as a whole has climbed by a modest 10 per cent.

Family Mart's performance illustrates how investors have started backing small Japanese companies in preference to the stock market giants.

Since shares plunged on world stock markets in October, Tokyo as a whole has recovered faster than other bourses, pushing the Nikkei index of 225 leading stocks to 23,771.88 at yesterday's close – 10 per cent short of its level immediately before Black Monday.

However, small Japanese companies have outpaced the market leaders. The Tokyo Stock Exchange index of shares in its Second Section, where listing rules are less rigid than in the First Section, yesterday stood at 2,769.52 – 16.6 per cent higher than at the beginning of the year and almost equal to its pre-Black Monday levels.

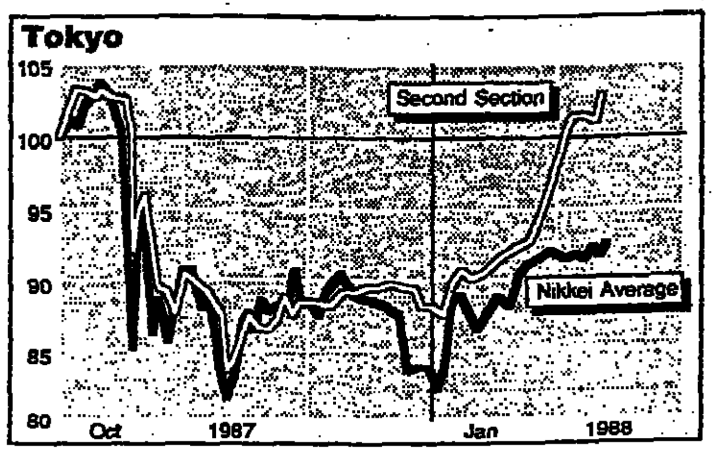
Smaller companies in the First Section have as a group performed almost as well – the index of small capitalisation stocks is 13 per cent higher than it was at the end of December.

These are not insignificant markets – Tokyo's second section is capitalised at over Y11,000bn ($85bn) – more than most stock exchanges.

The main motor behind this surge is the search for solid value in equities by investors in the wake of Black Monday. Before the October plunge in shares, the most popular stocks in Tokyo were highly-liquid market leaders. Investors, often trading more than 1bn shares a day, were active in stocks in the hope of short-term gains in the bull market.

Since then, big institutions have become cautious about committing funds wholesale into the equity market. Instead they have become more selective, sometimes picking and choosing stocks which they might want to hold for three or five years.

For several reasons, smaller Japanese companies have been attractive to these investors, foreigners included. First, smaller stocks are cheaper when valued as a



multiple of their prospective earnings – a common yardstick. This week, the prospective multiple of all First Section companies was about 57, while for Second Section stocks it was 48.

Next, many smaller companies are reckoned to have better growth prospects in the immediate future than the giants of Japanese industry. Market leaders in Tokyo include export-oriented companies which have been put under pressure by the rise of the yen.

Some smaller companies, often suppliers to the large corporations, will be in the same boat. But other groups are more directly dependent on Japanese domestic demand alone – which is expected to grow strongly.

So restaurants, retailers, paper makers and frozen food companies among others have been popular. Alongside Family Mart, there is Ensuiko Sugar, a refining company whose shares have more than doubled since December on the strength of reports about the value of the group's land holdings in Osaka.

Mr Alan Bell, an analyst in Tokyo at Salomon Brothers, the US investment house, says that in the flurry of trading before Black Monday the value of many smaller companies was simply overlooked. He believes these shares are still worth buying, given that investors will continue to move cautiously looking for good growth prospects.

Mr Teizo Taya, a senior economist at Daiwa Research Institute, an affiliate of Daiwa Securities, agrees. He argues that foreign investors now have a good chance to buy these stocks cheaply because Japanese institutions are too busy completing their accounts for the end of the financial year in March.

Others are not so sure. Some analysts argue that the fact that small shares have led the rally in the Tokyo market is a sign of weakness not of strength because it means that relatively little new money has been committed to the market. At the very least, they argue, it shows that the recovery might be fragile.

ASIA

Nikkei rebounds as trade data fears recede

Tokyo

THE OVERNIGHT recovery on Wall Street helped a buying spree that lifted share prices in Tokyo yesterday for the first time in three sessions, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei average rebounded 109.61 to 23,771.88 and turnover picked up to 662m from 419m shares on Tuesday, reflecting busy trade in large-capitals. Advances outnumbered declines by 508 to 378, with 156 issues unchanged.

Institutional investors were lured back into the market by expectations that the US trade deficit for December would be around $13bn, much the same as November.

Encouraged by Wall Street's improvement, institutional investors squared their positions before today's National Foundation Day holiday in Japan and purchased large-capitals and high technology stocks. These issues had been largely ignored in recent days as speculators dominated the trading floor, buying small and medium capitals listed in the second section.

Heading the most active list with 46.20m shares changing hands was Kawasaki Steel, which gained Y20 to Y346. Kobe Steel, third with 39.15m shares, advanced Y7 to Y312 and Nippon Steel added Y3 to Y391. Nisshin Steel climbed Y16 to Y623 on rising orders for stainless steel.

Toshiba Corp was also active following the US House of Representatives decision to exclude the parent company from action against Toshiba Machine Co. Toshiba Corp put on Y8 to Y740.

Investors also sought some high-tech stocks. Fujitsu added Y30 to Y1,450, Canon put on Y19 to Y1,010 and Sony surged Y160 to Y4,800. Nippon Telegraph and Telephone (NTT) continued to lose ground, ending Y10,000 lower at Y2.23m.

Konica, which has drawn speculative interest all this week, rose Y11 to Y931 but Minebea shed Y5 to Y808 and Inageya declined Y170 to Y2,050 as buying shifted to large-capitals.

Institutional investors sat on the sidelines of the bond market awaiting the announcement of US trade figures on Friday. The yield on the 5.0 per cent government bond due in December 1997 dropped to 4.200 per cent from 4.235 per cent on Tuesday, but late profit-taking nudged the yield up to 4.220 per cent.

Share prices rallied on the Osaka Securities Exchange. The OSE stock average rose 92.11 to 24,191.23 in moderate turnover.

Australia

HEAVY SELLING continued to drag share prices lower. All sectors posted falls and struggling gold shares declined despite steady bullion prices.

The All Ordinaries index was down 9.6 at 1,170.7 and the gold index dropped 18.4, or 1.3 per cent, to 1,355.5. The All Mining index hit a year's low of 532.4, down 7.1.

In golds, Metana lost 30 cents to A$5.80, Peko gave up 10 cents to A$6.80 and Poseidon shed 10 cents to A$1.90.

Resource stocks moved broadly lower. CRA was down 12 cents to A$4.48 and Santos lost 10 cents to A$3.60.

Blue chip industrials were sold heavily, with transport stocks suffering from higher oil prices. In the media sector, News Corp was up 10 cents at A$10.50 after dropping 60 cents on Tuesday.

Singapore

SELECTIVE bargain-hunting after four straight days of falls lifted shares marginally in thin trading. The Straits Times industrial index rose 5.92 to 857.74.

Gains on the Tokyo and Wall Street markets prompted short-covering, but underlying concern about the political situation in Malaysian blunted a steeper upturn.

Blue chips recovered as Singapore Airlines rose 15 cents to S$9.90 and Malayan Breweries put on 10 cents to S$8.20.

Hong Kong

THE ABSENCE of many local investors, who had closed their books for the approaching lunar New Year holiday, left the market becalmed and share prices drifted in very thin trading. The Hang Seng index edged up 10.43 to 2,233.47.

Most sectors were narrowly mixed and properties managed a very modest advance. Sun Hung Kai Properties rose 15 cents to HK$7.90 and Hongkong Land added 10 cents to HK$6.85.

EUROPE

Takeover talk provides excitement

SETTING aside worries about Friday's release of US trade figures, investors in Europe resumed an avid interest in takeover possibilities yesterday, sending Belgian and French shares higher in bustling trade. A spate of good results brought investors back to Scandinavian bourses but elsewhere trading was featureless.

BRUSSELS remained in the spotlight as further heavy buying of Société Générale de Belgique lifted the market into a light rally from Tuesday's sharp falls. The stock index added 33.10 to 4,261.95.

More than 800,000 shares in La Générale changed hands during official trading, which was again extended to cope with the large volumes. Blocks of shares continued to be traded after the close.

The stock price jumped BFr240, or 5.6 per cent, to a record BFr4,500, amid revelations about the ownership of stakes built up in recent hectic trading. This took it BFr140 higher than the previous peak on Monday and raised fears of another sharp drop.

Fellow holding company Gevaert, which heads a consortium with a stake in La Générale, rose BFr50 to BFr6,500, while companies in which La Générale has holdings also advanced. Cockerill Sambré, the steelmaker, was up BFr29 at BFr177, arms manufacturer Fabrique Nationale gained BFr22 to BFr752.

PARIS turned upwards as the caution of the previous day gave way to fresh speculative activity and buybacks by companies trying to organise defences.

The CAC index advanced 4.4 to 275.6. Issues which have been subject to takeover rumours resumed their ascent. Perrier rose FFr74 to FFr629, Accor gained FFr30.50 to FFr366 and Navigation Mixte added FFr41 to FFr812.

Blue chips, left behind in the recent rush for speculative issues, regained ground. Thomson-CSF climbed FFr10.90 to FFr144.30 and Peugeot added FFr34 to FFr854.

Compagnie du Midi was the only leading blue chip to decline, dropping FFr63 to FFr1,305. An announcement by Italian insurance group Assicurazioni Generali that it had acquired around 9 per cent of Midi, calmed takeover speculation and sent the price lower.

MILAN was encouraged by a more favourable political outlook and prices moved higher in a technical reaction as investors squared their books at the end of the trading cycle.

The MIB index rose 8 to 882, lifted by healthy gains within the De Benedetti group following favourable Belgian court decisions over its bid for Société Générale de Belgique.

Shares within the Ferruzzi-Montedison group were slightly higher after recent steep falls.

Generali, which said it had acquired 9 per cent of French insurer Cie du Midi, added L40 to L76,690.

FRANKFURT advanced as institutional demand for selected issues in a more optimistic market lifted shares across the board, despite a weaker dollar.

The Commerzbank index rose 16.8 to 1,280.2 and the FAZ index climbed 5.12 to 419.77 in moderately active trading.

Renewed speculation of a Daimler-Benz takeover of aerospace group Messerschmitt-Boelkow-Blohm sent the car stock DM7 higher to DM599 and its majority-owned subsidiary AEG up DM10.30 to DM193.80.

AMSTERDAM ended little changed after a dull session as investors continued to ponder the future course of the dollar.

Among mixed internationals, Philips managed a 10 cent rise to Fl 25.50 on expectations that it will maintain its dividend despite lower sales in 1987.

ZURICH edged higher in still cautious trading.

The Crédit Suisse index put on 2.6 to 427.2. Insurers and holdings fared better than other sectors.

STOCKHOLM was cheered by positive company results, falling domestic interest rates and Wall Street's overnight advance. Volume rose as investors went on a buying spree, lifting the Affaersvaerlden general index 5.1 to 754.1.

Ericsson rose SKr5 to SKr205 on a 19 per cent rise in 1987 profit

OSLO rallied as a batch of good results lifted the market in brisk trading. The all-share index put on 2.93 to 257.45.

London

A FIRM pound and easier money market rates allayed fears of another rise in interest rates and UK equities staged a cautious rally, but turnover remained low.

At the close, the FT-SE 100 Index was a net 11.3 points higher at 1,718.5, after an earlier dip was reversed by Wall Street's good start.

FT – ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY FEBRUARY 10 1988					TUESDAY FEBRUARY 9 1988			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987/88 High	1987/88 Low	Year ago (approx)
Australia (93)	91.16	-0.7	76.72	85.25	5.33	91.76	77.89	85.96	180.81	85.36	106.33
Austria (16)	86.28	+0.2	72.62	75.68	2.77	86.08	73.07	76.18	102.87	85.53	95.05
Belgium (48)	114.08	+1.4	96.02	99.60	4.79	112.50	95.50	99.05	134.89	94.63	104.41
Canada (127)	109.88	+0.9	92.48	100.97	3.22	108.87	92.42	99.80	141.78	98.15	117.27
Denmark (38)	114.57	+0.2	96.43	100.94	2.93	114.32	97.04	101.03	124.83	98.18	117.98
Finland (23)	111.59	+0.9	93.92	95.95	1.77	110.56	93.85	95.64	–	–	–
France (123)	79.50	+1.6	66.91	71.21	4.19	78.26	66.43	70.40	121.82	72.77	109.28
West Germany (94)	71.26	+1.9	59.97	62.61	2.95	69.90	59.34	61.78	104.93	67.78	90.23
Hong Kong (46)	85.46	+0.5	71.93	85.58	4.95	85.06	72.20	85.22	158.68	73.92	107.88
Ireland (14)	107.65	+0.4	90.61	96.22	4.72	107.17	90.98	96.46	160.22	93.50	114.54
Italy (94)	64.08	+1.7	53.94	59.54	3.22	62.99	53.47	58.85	112.11	62.99	99.15
Japan (457)	149.12	+0.6	125.51	121.60	0.57	148.20	125.81	120.99	161.28	100.00	114.94
Malaysia (36)	108.53	+0.6	91.34	107.80	3.48	107.83	91.53	107.04	193.64	93.76	124.30
Mexico (14)	141.76	+2.8	119.31	354.15	1.00	137.94	117.10	344.17	422.59	90.07	122.23
Netherland (37)	97.18	+0.4	81.79	84.19	5.35	96.79	82.16	84.33	131.41	87.70	104.11
New Zealand (24)	66.87	-0.7	56.28	53.74	6.11	67.31	57.14	54.38	138.99	66.87	88.62
Norway (24)	102.70	+3.4	86.44	89.11	3.07	99.35	84.34	86.61	185.01	95.51	109.15
Singapore (26)	99.56	+0.6	83.79	92.61	2.58	98.94	83.99	92.10	174.28	81.21	110.73
South Africa (61)	118.85	+0.1	100.03	76.42	5.46	118.72	100.78	76.34	198.09	100.00	115.56
Spain (43)	133.15	-0.9	112.07	115.80	3.52	134.41	114.10	115.93	168.81	100.00	111.21
Sweden (32)	106.58	+0.7	89.70	95.14	2.75	105.87	89.87	95.01	136.64	88.50	97.01
Switzerland (53)	77.64	+0.6	65.34	66.71	2.50	77.14	65.48	66.59	111.11	73.65	97.13
United Kingdom (328)	125.21	+1.5	105.38	105.38	4.45	123.36	104.72	104.72	162.87	99.65	116.09
USA (586)	104.77	+1.9	88.18	104.77	3.57	102.78	87.25	102.78	137.42	91.21	114.55
Europe (967)	98.30	+1.3	82.73	85.07	4.01	97.01	82.35	84.49	130.02	92.25	105.74
Pacific Basin (682)	144.40	+0.6	121.54	118.81	0.78	143.57	121.87	118.27	158.77	100.00	114.24
Euro-Pacific (1649)	125.98	+0.8	106.03	105.37	1.79	124.96	106.07	104.81	143.65	100.00	110.85
North America (713)	105.03	+1.9	88.40	104.56	3.55	103.10	87.52	102.62	137.55	91.68	114.69
Europe Ex. UK (639)	81.60	+1.2	68.68	72.26	3.59	80.66	68.47	71.73	111.97	78.89	94.40
Pacific Ex. Japan (225)	87.51	-0.2	73.66	82.75	5.05	87.67	74.42	83.02	164.03	82.92	104.97
World Ex. US (1851)	125.37	+0.8	105.52	105.03	1.87	124.35	105.56	104.46	143.38	100.00	111.15
World Ex. UK (2109)	116.61	+1.2	98.15	104.85	2.24	115.28	97.85	103.75	138.82	100.00	112.14
World Ex. So. Af. (2376)	117.36	+1.2	98.77	105.10	2.43	115.96	98.44	104.03	139.47	100.00	112.46
World Ex. Japan (1980)	102.15	+1.6	85.98	96.50	3.77	100.54	85.35	95.18	134.22	92.98	111.32
The World Index (2437)	117.37	+1.2	98.79	104.90	2.45	115.98	98.46	103.84	139.73	100.00	112.48

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US $ index), 90.791 (Pound Sterling) and 94.94 (Local).

صورة من الاصل

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

BRITISH FUNDS

1987/88 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
102¼	99⅞	Exch 10¼pc '88	100¾	+⅛	10.17	9.14
101⅞	98⅞	Treas 9¾pc Cv '88	100⅛	+⅛	9.74	9.19
98⅞	93½	Transport 3pc '78–88	98⅝	+⅛	3.05	7.14
101⅝	98⅞	Treas. 9½pc '88	100⅛	+⅛	9.49	9.28
105⅞	101½	Treas 11½pc 1989	102xd		11.27	9.34
102⅞	97⅞	Treas 9¼pc Cnv 1989	100⅛	+⅛	9.49	9.32
96⅛	89⅝	Treas 3pc 1989	95⅛	+⅛	3.13	6.60
104⅝	99⅝	Treas 10½pc 1989	101⅝	+⅛	10.36	9.38
103⅞	98⅞	Exch 10pc 1989	100⅝	+⅛	9.92	9.38
105⅝	100⅞	Exch 11pc 1989	102⅛	+⅛	10.75	9.43
96⅛	89⅞	Treas 5pc 1986–89	95⅞	+⅛	5.22	7.68
108⅞	99⅞	Exch 10½pcCv '89	102⅞	+⅛	10.00	8.64
111⅞	104⅞	Treas 13pc 1990‡‡	106⅛	+⅛	12.23	9.34
106⅛	100⅞	Exch 11pc 1990‡‡	102⅞xd	+⅛	10.69	9.38
110⅞	103⅞	Exch. 12½pc 1990	105⅞	+⅛	11.82	9.41
92⅞	84⅛	Treas. 3pc 1990	91⅛	+⅛	3.27	7.08
100⅞	93⅞	Treas 8¼pc 1987–90‡‡	98⅞	+⅛	8.37	8.93
100⅛	98	Treas. 8pc Cv 1990	99⅞	+⅛	8.04	8.22
105	97½	Treas. 10pcCv 1990	101⅞	+⅛	9.87	9.42
91⅞	81⅞	Exch 2½pc 1990	89		2.81	6.91
110⅛	102⅞	Treas 11¾pc 1991	105⅛	+⅛	11.11	9.43
95⅞	87⅛	Funding 5¾pc '87–91‡‡	92⅞	+⅛	6.20	8.39
90⅞	80⅛	Treas. 3pc 1991	88		3.41	7.20
110⅛	98⅛	Treas 10pc Cv '91 ‡‡	102⅞	+⅛	9.73	9.02
109⅛	101⅞	Exch. 11pc 1991	104⅞	+⅛	10.50	9.44
99	91⅞	Treas. 8pc 1991	95⅛	+⅛	8.37	9.37
116⅞	107⅞	Treas 12¾pc 1992‡‡	110⅞	+⅛	11.53	9.46
106⅞	97⅞	Treas 10pc 1992	101⅞xd	+⅛	9.82	9.44
99⅛	90⅞	Treas. 8pc 1992 ‡‡	95⅞	+⅛	8.40	9.40
108⅞	99⅛	Treas 10½pc Cv 1992‡‡	103⅞	+⅛	10.14	9.46
86⅛	79⅞	Treas. 3pc 1992	83⅛	+⅛	3.58	7.44
115⅛	105⅞	Exch. 12¼pc '92	109⅞xd	+⅛	11.15	9.53
121⅞	110⅞	Exch 13½pc 1992	114⅞	+⅛	11.82	9.58
		Five to Fifteen Years				
107⅞	97⅞	Treas 10pc 1993‡‡	101⅞	+⅛	9.81	9.51
118⅞	107⅛	Treas 12½pc 1993‡‡	112⅛	+⅛	11.15	9.57
95⅛	82⅛	Funding 6pc 1993‡‡	91⅝xd		6.54	7.83
125⅞	113⅛	Treas 13¾pc 1993‡‡	117⅞	+⅛	11.67	9.65
129⅞	117⅛	Treas 14½pc 1994‡‡	121⅞xd	+⅛	11.89	9.63
124⅞	112⅞	Exch 13½pc 1994	117	+⅛	11.53	9.74
107⅛	97⅞	Treas. 10pc Ln. 1994‡‡	101⅞	+⅛	9.80	9.54
120⅞	106⅞	Exch. 12½pc 1994	112⅞xd	+⅛	11.06	9.74
103⅛	92⅞	Treas 9pc 1994‡‡	97⅞	+⅛	9.20	9.42
118⅛	105⅞	Treas 12pc 1995	111⅞	+⅛	10.80	9.75
84⅛	76	Exch 3pc Gas 90–95	82⅞	+⅛	3.65	6.08
109⅞	97⅛	Exch. 10¼pc 1995	103	+⅛	9.95	9.67
123⅞	110⅞	Treas 12¾pc 1995‡‡	116⅛	+⅛	10.99	9.74
130⅞	116⅛	Treas. 14pc '96	122⅞	+⅛	11.47	9.90
102⅞	92	Treas. 9pc 1992–96‡‡	97⅞xd	+⅛	9.22	9.43
139⅞	123⅞	Treas 15¼pc 1996‡‡	129⅞	+⅛	11.76	9.87
127⅞	113⅞	Exch 13¼pc 1996‡‡	119⅞	+⅛	11.11	9.77
89⅞	81⅛	Redemption 3pc 1986–96	84⅞	+⅛	3.53	5.18
108⅞	95⅛	Conversion 10pc 1996	101⅞	+⅛	9.84	9.71
128⅞	113⅛	Treas. 13¼pc 1997‡‡	120⅞	+⅛	11.03	9.81
111⅞	98⅛	Exch 10½pc 1997	104⅞xd	+⅛	10.04	9.73
101⅞	88⅞	Treas 8¾pc 1997‡‡	94⅞xd	+⅛	9.22	9.57
46⅞	42⅛	Tr 8¾pc Ln "C" 1997 (50pdbe	44⅞	+⅛	9.22	9.58
140⅞	123⅞	Exch 15pc 1997	130⅛	+⅛	11.49	9.99
106⅞	93⅞	Exch. 9¾pc 1998	100⅛	+⅛	9.73	9.72
88⅞	78	Treas 6¾pc 1995–98‡‡	83⅛	+⅛	8.06	9.23
145⅞	128⅞	Treas. 15½pc '98‡‡	135⅞	+⅛	11.42	9.96
122⅞	107⅞	Exch. 12pc 1998	114⅛	+⅛	10.51	9.82
106⅞	92⅞	Treas 9½pc 1999‡‡	99⅛	+⅛	9.54	9.54
124⅞	109⅞	Exch. 12¼pc 1999	116⅛	+⅛	10.55	9.82
113	98⅛	Treas. 10½pc 1999	105⅞	+⅛	9.96	9.69
111⅞	96⅞	Conversion 10¼pc 1999	103⅞	+⅛	9.88	9.69
100⅛	86⅞	Treas. 8½pc Ln 2000‡‡	93⅞	+⅛	9.13	9.48
103⅞	89⅛	Conversion 9pc 2000‡‡	96⅞xd	+⅛	9.36	9.54
131⅞	114⅛	Treas. 13pc 2000	122⅞	+⅛	10.63	9.85
110⅞	95⅞	Treas 10pc 2001	102⅞xd	+⅛	9.71	9.60
134⅞	118⅞	Treas. 14pc '98–01	125⅞	+⅛	11.15	9.96
108⅞	93⅞	Conversion 9¾pc 2001	101⅞xd	+⅛	9.62	9.57
122⅛	107	Exch. 12pc '99–02	114⅞	+⅛	10.51	9.85
110⅞	96	Conversion 10pc 2002	103⅛	+⅛	9.67	9.55
109	94⅞	Treas 9¾pc 2002	101⅞xd	+⅛	9.60	9.55
103	89	Exch. 9pc 2002	95⅞	+⅛	9.36	9.48
		Over Fifteen Years				
136⅞	119⅞	Treas. 13¾pc 2000–03	127⅞	+⅛	10.80	9.89
111⅞	96⅛	Treas 10pc 2003	103⅞xd	+⅛	9.62	9.50

BRITISH FUNDS – Contd

1987/88 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
134⅞	116⅞	Exch. 12pc '13–'17	125⅞	+⅛	9.57	9.37
		Undated				
45⅛	39⅞	Consols 4pc	42⅞	+⅛	9.36	-
41⅞	34⅞	War Loan 3½pc‡‡	37⅞	+⅛	9.29	-
52⅛	46⅛	Conv. 3½pc '61 Aft	49⅞	+⅛	7.04	-
34⅞	29⅞	Treas. 3pc '66 Aft	31⅞	+⅛	9.51	-
29⅞	24⅞	Consols 2½pc	26⅞	+⅛	9.32	-
29⅞	24⅞	Treas. 2½pc	26⅞	+⅛	9.32	-
		Index–Linked			(1)	(2)
134⅞	125⅛	Treas. 2pc '88 (297.1)	134⅞		-	-
119⅛	108⅞	Do. 2pc '90(333.9)	118⅛		0.80	2.11
101⅛	93⅛	Do. 2pc '92‡‡ (385.8)	100⅞	+⅛	2.09	2.72
130⅞	119⅞	Do. 2pc '96(267.9)	129⅛xd	+⅛	3.42	3.73
111⅛	96⅛	Do 2½pc '01 (308.8)	109⅞	+⅛	3.72	3.95
110	94⅛	Do. 2½pc '03(310.7)	106⅛	+⅛	3.75	3.95
113⅞	94⅞	Do. 2pc '06(274.1)	107⅞	+⅛	3.79	3.96
108	89⅞	Do. 2½pc '09(310.7)	101⅞	+⅛	3.78	3.94
113⅞	93⅞	Do. 2½pc '11(294.1)	105⅞xd	+⅛	3.78	3.93
95⅞	76⅞	Do. 2½pc '13(351.9)	87⅞xd	+⅛	3.74	3.87
103⅞	83⅛	Do. 2½pc '16(322.0)	94⅞	+⅛	3.70	3.84
101⅞	81⅞	Do. 2½pc '20 (327.3)	92⅞	+⅛	3.64	3.76
86⅞	68⅞	Do. 2½pc '24 ‡‡(385.3)	78⅞	+⅛	3.57	3.69

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, ie 8 months prior to issue. RPI for May 1987:101.9 and for December 1987: 103.3
(rebased at 100 January 1987 conversion factor 3.945).

INT. BANK AND O'SEAS GOVT STERLING ISSUES

High	Low	Stock	Price £	+ or -	Int.	Red.
113⅞	97⅛	African Dv Bk 11¼Ln 2010	103⅞	+⅛	10.70	10.64
109⅛	93	Asian Dev Bk 10¼pcLn2009	99⅞	+⅛	10.26	10.25
136	117⅛	Australia 13½pc 2010	124⅞xd	+⅛	10.82	10.59
118⅛	100⅛	Do. 11¾pcLn2015	107⅞	+⅛	10.57	10.51
115⅛	99⅛	Euro Inv Bk 11pc Ln 2002	106⅞	+⅛	10.33	10.13
110⅛	94⅞	Do. 10⅛pc2004	101⅞	+⅛	10.19	10.14
126⅛	109⅞	Int–Am Dev Bk 12½pc 2003	115⅞	+⅛	10.84	10.36
104⅛	88⅛	Do. 9¾pcLn 2015	94⅞	+⅛	10.31	10.34
97⅛	83	Malysia 10¾pcLn 2009	89⅞xd	+⅛	12.04	12.15
115	98⅛	NZ 11¼pc 2008	105⅞	+⅛	10.64	10.55
123⅛	100⅞	Do 11½pc 2014	108⅞	+⅛	10.64	10.57
130⅞	100⅞	Sweden 13½pc Ln 2010	125⅞	+⅛	10.78	10.52
102⅞	87⅞	Utd Mexican States 16½pc 2008	100	-⅛	16.50	16.47

CORPORATION LOANS

High	Low	Stock	Price £	+ or -	Int.	Red.
109⅛	103	Birmingham 13½pc 1989	105½		12.80	9.99
119	100½	Do. 11½pc 2012	108⅞	+⅛	10.60	10.52
95⅛	82½	GLC 6½pc 1990–92	90½xd	-1	7.46	9.80
132½	115	Leeds 13½pc 2006	120		11.25	10.97
35	22	Liverpool 3½pc Irred	30		11.67	-
96	85	LCC 6¾pc '88–90	92½	+½	7.30	10.30
31½	21	Do. 3pc '20 Aft	30xd		10.00	-
115	103½	Manchester 11½pc 2007	104		11.06	11.00

COMMONWEALTH & AFRICAN LOANS

High	Low	Stock	Price £	+ or -	Int.	Red.
92⅛	81⅛	NZ 7½pc 1988–92	89⅛	-⅛	8.12	10.30
207	165	S Rhod 2½pc Non–Assd	206⅛		-	-
78	65	Do. 4½pc 87–92 Assd	78xd		-	-
860	70	Zimbabwe Ann (£100pd)	91		-	-

LOANS

High	Low	Stock	Price £	+ or -	Int.	Red.
101½	99	N'wide 10⅞pc 15.2.88	100xd		10.81	10.83
101⅞	99⅛	Do 10½pc 7.3.88	100⅞		10.48	9.30
101⅞	99⅛	Do. 9⅞pc 11.4.88	100		9.94	9.52
102	98	Do. 9⅞pc 3.5.88	99⅞		9.69	9.64
101	98⅛	Do. 8⅞pc 23.5.88	99⅛		8.90	9.63
100⅛	98⅞	Do. 8⅞pc 20.6.88	99⅞		8.97	9.67
100⅞	98⅞	Do. 9⅝pc 11.7.88	99⅞		9.63	9.72
100⅞	99	Do. 10pc 1.8.88	100⅛xd		9.99	9.79
101⅛	99⅛	Do 10½pc 22.8.88	100⅞xd		10.52	9.81

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

Continued on next page

Money Market Trust Funds

Money Market Bank Accounts

UNIT TRUST NOTES

Chartered Accountants
City
To c.£25,000

The Securities Association is a leading self-regulating organisation in the City. Within the Enforcement Division a specialist Financial Regulation team is involved in:

– monitoring the financial stability of Member Firms

– developing policy and regulations under which Member Firms conduct the financial aspects of their business

– liaising with Member Firms and other regulatory bodies on the interpretation and explanation of financial regulations.

This appointment represents a unique opportunity for a Chartered Accountant, ideally with post qualification experience in the City, who wishes to use his/her excellent inter-personal skills in a stimulating new organisation.

In addition to excellent career prospects and on-going training, we offer a negotiable salary, non-contributory pension scheme, free season ticket, free lunches, free BUPA and relocation assistance where appropriate.

Please write with full c.v. to:

Edward Geraghty,
The Securities Association,
The Stock Exchange Building,
Old Broad Street,
London EC2N 1EQ

THE SECURITIES ASSOCIATION

APPOINTMENTS ADVERTISING

Appears every Wednesday and Thursday

for further information call 01-248 8000

Tessa Taylor
ext 3351
Deirdre Venables
ext 4177
Paul Maraviglia
ext 4676
Elizabeth Rowan
ext 3456

GROUP TAXATION ACCOUNTANT
London
West End

To £35,000 Plus Car and Exceptional Fringe Benefits

Our client, a very large property based, international group with some 700 employees worldwide, is seeking an experienced taxation specialist.

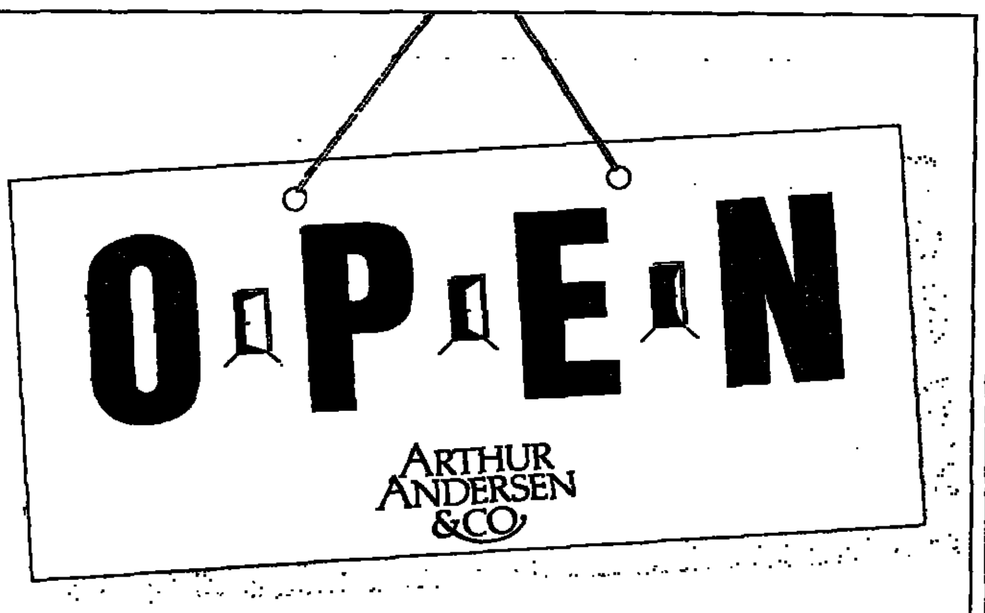
This is an unusual, interesting and extremely responsible position. The role is wide-ranging and will involve co-ordinating, controlling and advising on all aspects of taxation, including corporate, personal and trusts. There will be close involvement in top level commercial decision making.

The successful candidate is likely to be a Chartered Accountant with at least five years experience, predominantly in the taxation field. Applicants could come from a variety of backgrounds, including large or small professional practices, commerce or industry. The role requires someone who is practical, adaptable and able to deal with management and professional advisors at all levels.

The salary is negotiable but is unlikely to be an inhibiting factor for the right candidate. Benefits include a car, capital incentive scheme and any necessary relocation costs.

*For further details please contact **Annie Maxey** on **01-629 4463 (01-870 8891** evenings and weekends) or send a cv to the address below.*
All applications will be dealt with in the strictest confidence.

HARRISON WILLIS
FINANCIAL RECRUITMENT CONSULTANTS
Cardinal House, 39-40 Albemarle St., London W1X 3FD. Tel. 01-629 4463



It's not an offer we make very often but on Thursday, 18th February, from 6 p.m., all the offices listed below will be throwing open their doors for an informal, behind the scenes look at Arthur Andersen.

You're probably recently qualified or waiting for your PE2 results. You are also thinking about your next career step.

So why not come in and see us? And if you're considering tax as a specialisation we'd be especially glad to see you.

You'll meet staff past and present and some clients who will tell you what we're like to work with. If you'd like to call us first please do — otherwise just drop in on the night.

There will be food, something to drink and one or two things you might not expect from an accountancy firm. Not least of which will be the friendly informality of it all.

You'll find that ours is a welcome change of approach — that's why we're open about it.

BIRMINGHAM
1 Victoria Square
(021) 233 2101
Nigel Pickard

LONDON
1 Surrey Street, WC2
(01) 438 3479
Richard Gould

NOTTINGHAM
Express Buildings
17 Upper Parliament St.
(0602) 411900
Chris Butterfield

LEEDS
St. Paul's House
Park Square
(0532) 438222
Karen Mills

MANCHESTER
Bank House
9 Charlotte Street
(061) 228 2121
Janet Cleife

READING
1 St. John's Gate
Valpy Street
(0734) 508141
Nick Prentice

ARTHUR ANDERSEN &CO

Make a breakthrough with Barrow

Director of Finance
to £26,200

To meet the needs and challenges of the 1990's and 21st century, Barrow-in-Furness is planning a major break with the traditional approach to service provision and management by introducing a radical, results-orientated organisation with clear corporate goals and accountability.

Our first major objective is to change emphasis and dramatically improve the quality of services by putting the needs of the customer first. We also intend improving the town's image to reflect its economic success, develop the local potential for leisure and tourism and attract industrial and commercial investment.

To achieve these objectives, we are undergoing a period of organisational change designed to produce a customer-driven corporate structure. We now seek an innovative Finance Director to join us in creating a forward thinking, dynamic but caring Council, committed to building a better Barrow.

In addition to the traditional accounting role, your primary task will be the identification of new financial sources to fund projects and services. You will also expand the audit function to include performance monitoring in its widest sense by devising and implementing an integrated performance and financial monitoring system as a priority, to ensure that all services are being operated in a cost effective and efficient manner, whilst always seeking to improve the quality of service.

A first-class accountant with relevant management experience, you will have a positive approach and the enthusiasm and vigour to make things happen.

Substantial remuneration and benefits package are offered by this equal opportunity employer, including generous relocation assistance to this attractive area which provides unrivalled facilities for recreational pursuits.

Austin Knight Selection have been retained to handle initial applications. To learn more of this unique opportunity and for an information pack contact Mike Cockburn on 091 232 0167 (during office hours) or 0661 853781 (between 7 - 9pm); alternatively, write to him at Austin Knight Selection, Earl Grey House, Grey Street, Newcastle upon Tyne NE1 6EF quoting reference NS254.

Completed applications must be received by March 2nd 1988.

Austin Knight Selection
NEWCASTLE

BOROUGHOFBARROW-IN-FURNESS

Dynamic Young Financial Manager

in a range to £25,000

Last year Thomas's invested in a new £multi-million purpose built manufacturing plant near Leeds. Through our commitment to growth, we are now one of the fastest-growing and most progressive companies in the pet snacks, treats and accessories market.

As part of our rolling development plan, we are strengthening our Finance Department which has created an opening for a graduate with a CIMA, ACCA or ACA.

Reporting to the Chief Accountant, you will be expected to assume a high degree of responsibility. Managing a small support team, you will be responsible for preparing monthly and annual management accounts and for the purchase and sales ledgers. Services such as capital expenditure and fixed assets control will also fall under your control. In addition, you will be responsible for maintaining and developing the computerised accounting and financial cost control systems, making experience of computer systems, preferably IBM, essential.

We are looking for an exceptional 'hands-on' accountant with 2 to 3 years experience of financial accounting who will be able to bring a strong influence to bear in an industrial environment. You will need first-class communication skills and the ability to manage change.

As a Division of the Mars Group, our rewards are high. A starting salary up to £22,000 will be offered in a range rising to over £25,000, together with a superb range of non-contributory benefits, and relocation assistance where appropriate.

To apply, you should either send full career details or write or telephone for an application form to: **Rodney Hardcastle, Personnel Manager, Thomas's (A Division of Mars GB Ltd), Oakwell Way, Birstall, Batley, West Yorkshire, WF17 9LU. Tel: 0924 474373.**

Thomas's
EXCEPTIONAL ACHIEVERS

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

As in the past the Financial Times proposes to publish a list of those candidates who were successful in the recent PII examinations. This list will appear in our issue of Thursday 3rd March under the heading "Newly Qualified Accountancy Appointments". The advertising rate will be £47 per Single Column Centimetre; Special positions are available by arrangement @ £57.00 per SCC.

GUIDE TO RECRUITMENT CONSULTANTS

Entries in the guide will be charged at £70.00, which includes your Company name, address and telephone number. Any additional information will be charged at £12.50 per line.

For further information please contact:
Louise Hunter or your usual Financial Times Representative on 01-248-8000

Finance Director
North East — **Circa £25K + Profit Bonus**

Our client, a forward looking, expanding private company involved in opencast mining, civil engineering and property development, is seeking a Finance Director. Due to an internal promotion, this post is a senior board appointment which should be of interest to high calibre Accountants who can demonstrate a successful career progression and who wish to play a vital part in the continuing development of an already successful and ambitious group.

The major responsibilities will involve the further development of MIS, the data processing function and the management of a department of 15 staff, providing financial and management accounts. There will be close involvement with the Managing and Commercial Directors in relation to financial control, budgeting and strategic financial planning.

Essential qualities in the ideal applicant will be good qualifications, a high intellect and the ability and desire to bring an innovative working style to this very important group function. Excellent communication skills, the ability to give meaningful and effective financial input to the business at Board level plus 'hands-on', computer-based systems knowledge are essential pre-requisites. Candidates must be able to demonstrate that they are prepared to take a strong and positive line on the financial affairs of the company.

An excellent salary and benefits package is offered, including a profit related bonus scheme, an executive car, pension, life insurance and private health.

Interested candidates should write with full personal, career and salary details to the company's advisers, quoting ref. A150:

Walton Churchill

Walton Churchill Ltd, Britannic House, 32 High Street, Northwich, Cheshire, CW9 5BL.

Newly Qualified Accountant
City of London c. £20,000 p.a.

A large international organisation in the Holborn area of the City has a vacancy for a newly qualified Chartered Accountant or recent finalist awaiting his/her results with a view to early promotion to Financial Controller. Salary dependant on qualifications.

Applicants should have served their articles with one of the major accounting firms.

Benefits include non-contributory pension scheme and life assurance; personal accident insurance; staff restaurant; initial holiday entitlement of 23 days per annum; assistance with BUPA membership and sports and recreational facilities.

Confidential Reply Service: Please write with full CV quoting Reference 2120/AL on your envelope, listing separately any company to whom you do not wish your details to be sent. CV's will be forwarded directly to our client who will conduct the interviews. Charles Barker Recruitment Limited, 30 Farringdon Street, London EC4A 4EA.

CHARLES BARKER
ADVERTISING·SELECTION·SEARCH

هكذا من الاصل

LONDON SHARE SERVICE

INSURANCES — Contd

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PAPER, PRINTING, ADVERTISING — Contd

[illegible]

PROPERTY

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TEXTILES — Contd

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS, FINANCE, LAND — Contd

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS — Contd

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

MINES — Contd

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

THIRD MARKET

1987/88 High	Low	Stock	Price	+ or –	Div Net	C'vr	Gr's	P/E
[illegible]								
133	56	Leading Leisure 5p	86		0.9	3.1	1.4	24.9
95	55	Lynx Tech. 5p	55		b–	–	–	6.3
133	95	M.L. Laboratories 1p	126	+3	–	–	–	–
180	87	Medirace 10p	128		–	–	–	–
38	23	Norton Group 5p	26	+1	–	–	–	–
98	38	♦Ovoca Gold IR 2p	42		–	–	–	–
48	36	Propeller 1p	38		W–	–	–	11.9
*82	15	Publishing Hldgs.5p	15xr	–1	–	–	–	9.0
128	73	Seacon Hldgs	73		–	–	–	11.1
27	18	Stake Hldgs. 5p	25		–	–	–	63.9
4½	3	Swanyard Studios 1p	3¼		–	–	–	18.5
87	38	Theme Holdings	50		1.0	1.9	2.7	26.8
36	28	Tomorrows Leisure 20p	31		–	–	–	12.4
210	128	UPL Group 10p	130		L2.41	2.8	2.5	19.5
140	103	Unit Group	138	–2	R4.6	2.5	4.6	(9.9)
85	85	Video Tape Recording 5p	85		L2.3	2.3	3.7	12.2

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsetable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 27 per cent and allow for value of declared distribution and rights.

- ● Tap Stock
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress
- ♣ Not comparable
- ♠ Same interim; reduced final and/or reduced earnings indicated
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E usually provided.
- ‖ No par value

B.Fr. Belgian Francs. Fr. French Francs §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1986-87. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and P/E based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	65	
Craig & Rose £1	638	+13
Finlay Pkg. 5p	78	
Holt (Jos) 25p	£11½	
IoM Stm. £1	252	+2

IRISH

Fund 11¼% 1988	£100⅜	–⅛
Nat. 9¾% 84/89	£100⅝	–⅛
Fin. 13% 97/02	£114⅝	
Arnotts	310	
CPI Hldgs	75	
Carrol Inds	145	
Hall (R. & H.)	106	–2
Heiton Hldgs	45	+2
Irish Ropes	129	+3
Unidare	305	

TRADITIONAL OPTIONS

3-month call rates

Industrials	p
Allied–Lyons	35
Amstrad	15
BAT	45
BOC Grp	40
BSR	10
BTR	28
Barclays	48
Beecham	46
Blue Circle	42
Boots	26
Bowaters	38
Brit Aerospace	35
Brit. Telecom	22
Burton Ord	24
Cadburys	26
Charter Cons	32
Comm Union	35
Courtaulds	34
FKI Babcock	14
FNFC	25
Gen Accident	85
GEC	15
Glaxo	110
Grand Met	42
GUS 'A'	110
Guardian	87
GKN	30
Hanson	14
Hawker Sidd	48
ICI	100
Jaguar	35
Ladbroke	38
Legal & Gen	30
Lex Service	35
Lloyds Bank	28
Lucas Inds	62
Marks & Spencer	20
Midland Bk	35
Morgan Grenfell	35
NEI	18
Nat West Bk	60
P & O Dfd	52
Plessey	16
Polly Peck	32
Racal Elect	22
RHM	35
Rank Org Ord	60
Reed Intnl	45
STC	25
Sears	14
TI	35
TSB	12
Tesco	16
Thorn EMI	60
Trust Houses	22
T&N	20
Unilever	50
Vickers	18
Wellcome	42
Property	
Brit Land	28
Land Securities	48
MEPC	48
Peachey	40
Oils	
Brit Petroleum	25
Britoil	50
Burmah Oil	45
Charterhall	6
Premier	8
Shell	110
Tricentrol	18
Ultramar	24
Mines	
Cons Gold	100
Lonrho	29
RTZ	38

A selection of Options traded is given on the London Stock Exchange Report Page

COMPUTER AUDIT MANAGER

Central London — **to £24,000 package + fully expensed car**

Our client, London International Group plc, has an impressive record of growth in the manufacture and marketing of consumer goods. Significant expansion has seen turnover increase to in excess of £250m and the resources are available for new business opportunities in the UK and overseas.

Financial and operational controls are a particularly influential factor in the Group's profit record and there is a commitment to modern computer technology and DP expertise to ensure the quality of information meets business objectives.

Internal promotion has created the need to recruit a Computer Audit Manager whose aim will be to achieve maximum benefit from the group-wide computer installations development of mainframe, minis and micros using proprietary and in-house developed software packages on IBM & ICL equipment. The emphasis is on a "hand's-on" approach and the successful candidate will be expected to play the major role in planning and executing the required programme of DP audits and developing the DP skills of the audit team as a whole.

Candidates (aged 28-36) will preferably be CAs with a background from an international company or Big 8 practice plus a minimum of three years' systems audit experience.

Attractive remuneration package, typical of a major international group, will include a fully expensed car, and relocation assistance. This is a high visibility role involving a certain amount of travel throughout the whole of the group's UK and international operations and offers considerable scope for advancement in this highly diversified group.

Please apply in confidence (quoting ref 7213) to:

J R ADCOCK, Clark Whitehill Consultants Limited,
25 New Street Square,
London EC4A 3LN,
01-353 1577.

Clark Whitehill Consultants
Executive Selection

YOUR NEXT MOVE..

BRISTOL Regional Finance Manager — To £30000+Car
HIGH WYCOMBE Management Accountant — To £22000+Car

Our client is a well established, highly successful quoted British group with over 2000 employees and turnover of c£100m including U.S. subsidiaries.

The main focus of Group activity is the sale, distribution and servicing of high technology office equipment and it is now the largest independent operation of its kind in the U.K. In the last two years turnover and profit have doubled; growth prospects and future business developments are equally exciting. The company's achievements and expectations are built on well defined strategic policies, strong links with major brands, bold acquisition plans and, above all, innovative and dynamic management.

The Head Office is in the London area and regional executives direct operations for the South West, South East, Northern England and Scotland.

Regional Finance Manager, South West

Based in Bristol you will report to the Regional Managing Director and with 4 staff you will be responsible for the entire financial and management accounting function for 4 operating subsidiaries and branches with combined turnover of c£6m. As the South West is a key growth area for the business, you will be expected to make a major contribution to high level commercial decisions and, of course, play a leading role in the implementation of such decisions particularly the efficient and cost effective integration of new businesses into the Group. This is, therefore, **a high profile senior position for which the ideal candidate will be a qualified accountant with a track record of commercial achievement and who seeks a genuine career challenge. Age indicator 28-35.**

Management Accountant – High Wycombe

Reporting to the Regional Financial Manager South East and with 3 staff, your key responsibilities include preparation of management accounts, profit forecasts, budgets and the development of management information systems for 6 subsidiaries and branches with combined turnover of c£10m. **The successful candidate will be a qualified accountant with the tenacity, intellect and communication skills to liaise with conviction at all management levels. Age indicator 23-30.**

The rewards for both positions reflect their importance and in addition to salary there are the usual big company benefits and relocation, if appropriate.
For further details send your C.V. or telephone:

JOHN KNIGHT
01-387 8118

SCOPE EXECUTIVE (Recruitment and Consultancy) Ltd., Euston House, 81-103 Euston Street, LONDON NW1 2ET

MANAGER – FINANCE AND ADMINISTRATION

ACA's 32-45 — **to £35,000 (incl. Bonus) + car**

Our client is a highly successful company specialising in providing marketing consultancy services to a range of mainly blue chip public companies. The firm's parent is based in the USA but the London office acts largely autonomously.

The company seeks a self-motivated all-rounder who combines initiative and sound professional experience to join the general management team in a role which combines control of the finance function with the overall administration of the office.

Key financial responsibilities include accounts preparation, budgets and forecasts to tight deadlines as well as ad-hoc investigations, acquisition studies, tax, treasury and systems development etc. Office administration responsibilities include recruitment, asset management and general management of the office including responsibility for the direct marketing programme in the UK and Europe.

Candidates (male or female) should have experience in accounting and administration management in professional practice or a related business. They should have the initiative, imagination and practical ability to succeed in this rapidly expanding and dynamic environment. Experience of computer systems and modelling is essential.

If you wish to be considered, please write enclosing a full C.V. to George Ormrod B.A. (Oxon), Douglas Llambias Associates, at our London address, quoting reference No. 8215.

FINANCIAL & MANAGEMENT RECRUITMENT CONSULTANTS
DOUGLAS LLAMBIAS
LONDON BIRMINGHAM LIVERPOOL MANCHESTER ABERDEEN EDINBURGH GLASGOW
DOUGLAS LLAMBIAS ASSOCIATES LIMITED, 410 STRAND, LONDON WC2R 0NS
TELEPHONE: 01-836 9501

Liverpool & London P&I Management Ltd is responsible for the innovative and successful management of the Liverpool and London Steamship Protection and Indemnity Association. As a result of the Association's growth, the management company invites applications for the position of:

CHIEF ACCOUNTANT
(Designate)

The company is seeking a qualified accountant, commercially aware, with strong management and financial accounting skills. In due course, the successful candidate will head the accounts department in our new offices in Liverpool and report directly to the Board. Salary for this position is negotiable and will be appropriate to experience. A generous package of benefits also applies. Preferred age range 25-35.

Please apply in writing, enclosing a full Curriculum Vitae and details of current salary to:
The Managing Director
Liverpool & London P&I
Management Ltd
Royal Liver Building
Liverpool L3 1HU

LIVERPOOL & LONDON **P&I**

ACCOUNTING IN THE CITY

TRADING ACCOUNTANT
to £32,000
+ Bank Benefits + Car

A British merchant bank, currently a leader in several corporate fields, seeks to recruit a qualified individual, age 26-30, from a banking or security trading environment. Your role will encompass leading the accounting function for the banking and securities division, covering all product sectors and the development of reporting systems and regulatory returns. RWS0830

MANAGER,
MANAGEMENT ACCOUNTING
c£35,000 + Generous Benefits package

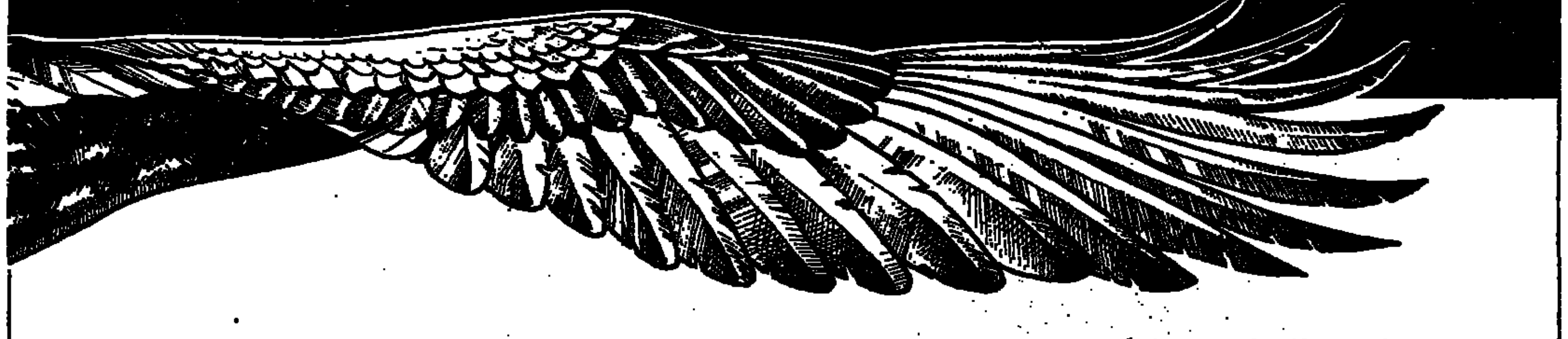
A major worldwide banking organisation seeks to recruit a senior qualified accountant. You will be responsible for providing the investment bank with a comprehensive management accounting service and for detailed financial planning. You will be aged 30-35, have broad experience gained within a banking environment and be seeking a major career move. AMF0807

PLEASE CONTACT SARAH ADCOCK, MANAGER, ACCOUNTANCY DIVISION.
TELEPHONE 01-256 5041 (out of hours: 01-981 5963)

10 Finsbury Square, London EC2A 1AD

Management Personnel
RECRUITMENT SOLUTIONS
LONDON · GUILDFORD · ST. ALBANS · WINDSOR

SPREAD YOUR WINGS



Computer Audit Manager — Cheltenham

Spread your wings and join the fast changing world of Financial Services.

As Computer Audit Manager for Eagle Star you will be part of the young management team of audit professionals heading up a high profile corporate function.

You will be responsible for computer audit throughout the Eagle Star Group worldwide, visiting our many overseas locations. You will direct a team of senior computer auditors, monitoring progress and ensuring objectives are met and standards maintained. The broad scope of this role reflects the diverse nature of the Group's business, its geographical spread, our expansion plans and the increasing demands for sophisticated computer systems.

The job contains a significant consultancy role with early involvement in systems development decisions. Emphasis in our computer audit plan is on pre-implementation reviews of major new applications, on technical audits within the central MS function and on installation reviews at overseas subsidiaries.

We are looking for a qualified accountant with at least three years post qualifying experience in a computer audit or management consultancy role, probably gained with a major accountancy firm. You will have a unique opportunity to build on your experience in an environment where considerable importance is attached to audit and control. With constant exposure to senior management your interpersonal skills will need to be well developed as you will be in a position of high visibility.

Career prospects are excellent and it is expected that a move into senior financial line management will be available to the high flier within three years.

A highly attractive salary and benefits package is offered and this includes subsidised mortgage facilities, a car and a non-contributory pension scheme.

For further details call Chris Laidlaw, Group Internal Auditor, on 0242 221311 ext 23700. To apply please write to him with full CV at Eagle Star Insurance Limited, Eagle Star House, Bath Road, Cheltenham, Glos, GL53 7LU.

Eagle Star
INVESTMENT · INSURANCE · PENSIONS

Face the future with confidence.

CHIEF ACCOUNTANT
ADVERTISING AND MARKETING
WEST END
Salary negotiable

Based in Mayfair, Dewynters, an advertising and marketing agency specialising in the entertainment sector, both in the UK and USA, is seeking a Chief Accountant to take on the day-to-day management of the accounts department.

Reporting to the Finance Director you will be responsible for:
- Installation of a new integrated computerised accounting system
- Leading a strong accounting team
- All aspects of financial and management reporting

For this demanding role we are looking for a qualified accountant (ACA/ACCA) with well-developed inter-personal skills and a pro-active approach. It is unlikely that the successful candidate will have less than 3 years' post-qualification experience, gained ideally in a related environment.

Future prospects are inevitably linked to the company's success and there is every indication that the growth of recent years will continue.

Applications should be sent to: Michael Storey, Dewynters Ltd, 28 Bruton Street, London W1X 7DB

DEWYNTERS LTD
Incorporated Practitioners in Advertising

Management Accountants with a Difference

c£17,000 + car + benefits

NORTH LONDON & NORTHERN HOME COUNTIES

In essence our brief is simple. We have to provide our client with three of the most talented accounting professionals in the business.

As a young, highly ambitious accountant the role calls for a sharp mind and a "hands-on" attitude.

Your commercial experience, ideally gained in a retail or decentralised operation, will lead to an important role in determining the direction of one of the Companies in the Group.

As part of a management team you will be handling a £multi-million operation, so energy, expertise and professionalism will be called upon.

As a 28-38 year old, you can qualify for these positions either through experience or by being a qualified ACMA/ICMA.

Our client, by the way, is a rapidly expanding £multi-million retail plc with over 20 outlets specialising in the consumer goods market place.

If you are looking for a true management challenge, with real growth potential, then write to Liz Mudie now enclosing a brief résumé of your career to date to:

RES RECRUITMENT ENHANCEMENT SERVICES
8 Dorset Square, London NW1 6PU 01-486 0613

FINANCIAL CONTROLLER
WEST MIDLANDS

HOUSEBUILDING

Bryant Homes Central, a principal subsidiary of Bryant Homes plc, requires a Financial Controller to take responsibility for its entire accounting function. The subsidiary, based in Solihull, produces over 1,000 high quality homes a year and is looking for further expansion.

Internal promotion has created the need for this appointment. The position reports to the subsidiary Managing Director and the Finance Director of Bryant Homes. Candidates will be suitably qualified with first class commercial/industrial experience. Construction industry experience is preferable but not essential. An adaptable hard working person is required for this challenging position

This is a key appointment and a substantial salary, car and benefits package is available including share options.

Interested candidates should send a detailed CV together with details of current remuneration and telephone number to John Dennison, Finance Director, Bryant Homes plc, Cranmore House, Cranmore Boulevard, Solihull, West Midlands B90 4SD, or ring him on 021-704 5111.

Bryant Group
Invest in Quality

Bryant Group
Homes
Properties
Construction

Finance Manager

A key role in the management of a major manufacturing facility.

To £25k + Car

Are you a finance professional with a taste for operating as part of a fast-moving management team working at the leading edge of technology?

STC Submarine Systems are a major supplier of undersea telecommunications systems utilising optical technology. Our plant at Southampton manufactures and supplies telecommunications cable and has a turnover of approximately £50 million per annum.

We require a Finance Manager who will:
* Provide the business with financial information to ensure effective management.
* Provide financial planning, reporting and control.
* Lead staff of 12 people.
* Develop systems in use throughout the business.
* Manage essential financial services, such as payroll and cashier.

He or she will need to be a qualified accountant and preferably be educated to degree level. They will need to integrate closely with the small professional management team and contribute to all aspects of decision making. He or she will deal with all levels of management and employees within the business.

We offer an excellent salary and benefits package reflecting the seniority of this role, so are you ready to take up this challenge? If so write with full career details to Sally Hayes, Personnel Department, STC Submarine Systems, West Bay Road, Western Docks, Southampton SO9 4YZ or ring her on (0703) 774751 ext 2210.

STC SUBMARINE SYSTEMS — STC

هكذا من الأصل

WORLD STOCK MARKETS

CANADA

TORONTO

Closing prices February 10

MONTREAL

Closing prices February 10

OVER-THE-COUNTER

Nasdaq national market, closing prices

Continued from Page 33

CHIEF LONDON PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. 7¾% 2012-15	585¼	+	⅞
Treas. 2½% IL 2024	578¹¹⁄₁₆	+	⅛
Britannia Arrow	95	+	5
Brunning Grp.	230	+	10
Egerton Trust	186	+	13
Glaxo	£10¼	+	⅞
Hawker Siddeley	469	+	11
Lec Refrigeration	310	+	15
Logica	270	+	10
Manders	360	+	15
Northern Foods	283	+	8
Pearson	709	+	10
Reuters B	478	+	29
Rivlin	114	+	11
Steetley	300	+	11
Ware	195	+	7
Wimpey (G.)	233	+	8

FALLS

Airflow Streamlines	145	-	8
British Land	249	-	14
Domino Printing	300	-	11
NatWest Bank	566	-	12
Perry Group	190	-	15
Storehouse	231	-	6

TOKYO - Most Active Stocks

Wednesday, February 10 1988

	Stocks Traded	Closing Prices	Change on day
Kawasaki Steel	46.20m	346	+2
Toshiba	43.34m	740	+8
Kobe Steel	39.15m	312	+7
Nisshin Steel	24.78m	623	+14
Nippon Steel	22.76m	391	+3
Kawasaki Heavy Ind	18.78m	316	+3
Fuji Electric	17.26m	590	+5
Nippon Kokan	10.80m	293	+50
Konica	8.54m	931	+11
Mitsubishi Elec	6.55m	590	+5

Indices

NEW YORK — DOW JONES

	Feb. 9	Feb. 8	Feb. 5	Feb. 4	1987-88 High	1987-88 Low	Since compilation High	Since compilation Low
♦Industrials	1914.46	1895.72	1910.48	1923.57	2722.42 (25/8/87)	1738.42 (19/10/87)	2722.42 (25/8/87)	41.22 (2/7/32)
Home Bonds	90.47	88.17	90.71	90.78	95.51 (9/2/87)	81.26 (29/10/87)	-	-
Transport	760.43	756.86	758.57	769.86	1101.16 (14/8/87)	661.00 (4/12/87)	1101.16 (14/8/87)	12.32 (8/7/32)
Utilities	184.86	185.04	186.28	185.57	227.83 (22/1/87)	160.98 (19/10/87)	227.83 (22/1/87)	10.50 (8/4/32)

♦Day's High 1921.58 (1911.14) Low 1885.78 (1878.15)

STANDARD AND POOR'S	Feb. 9	Feb. 8	Feb. 5	Feb. 4	1987-88 High	1987-88 Low	Since compilation High	Since compilation Low
Composite ‡	251.72	249.10	250.96	252.21	336.77 (25/8/87)	223.92 (4/12/87)	336.77 (25/8/87)	4.40 (1/6/32)
Industrials	287.96	284.45	285.89	287.67	393.17 (25/8/87)	255.43 (4/12/87)	393.17 (25/8/87)	3.62 (21/6/32)
Financials	22.89	22.89	23.20	23.30	32.43 (25/8/87)	20.39 (7/12/87)	32.43 (25/8/87)	8.64 (1/10/74)
NYSE Composite	141.63	140.34	141.35	141.89	187.99 (25/8/87)	125.91 (4/12/87)	187.99 (25/8/87)	4.46 (25/4/42)
Amex Mkt. value	269.16	267.80	270.11	269.84	365.01 (13/8/87)	231.90 (4/12/87)	365.01 (13/8/87)	29.31 (9/12/72)
NASDAQ OTC Comp	344.97	344.52	345.75	344.66	455.26 (26/8/87)	291.90 (28/10/87)	455.26 (26/8/87)	54.87 (31/10/72)

	Feb. 5	Jan. 29	Jan. 22	year ago (approx.)
Dow Industrial Div. Yield	3.63	3.53	3.64	3.07

	Feb. 4	Jan. 28	Jan. 21	year ago (approx.)
S & P Industrial div. yield	3.15	3.16	3.23	2.68
S & P P/E ratio	15.96	15.81	15.42	19.87

TRADING ACTIVITY † Volume

Millions	Feb. 9	Feb. 8	Feb. 5
New York	162.739	168.850	162.327
Amex	7.400	8.209	9.150
OTC	107.206	120.065	121.158

NEW YORK	Feb. 9	Feb. 8	Feb. 5
Issues Traded	1,973	1,964	1,944
Rises	967	572	749
Falls	528	964	717
Unchanged	478	428	478
New Highs	8	9	7
New Lows	11	17	10

CANADA

TORONTO

NEW YORK ACTIVE STOCKS

Finance Director

North West **£35-40k+Car+Benefits**

Our client is a highly profitable and rapidly expanding £100+ million multi-location trading subsidiary of a major U.K. Group. A policy of capital investment in existing operations coupled with strategic acquisitions have resulted in a growth rate which is exceptional.

This appointment is aimed at strengthening the Board, key aspects of the role being:

- the provision of authoritative financial advice as part of the business planning process,
- the development of improved financial reporting and control systems,
- undertaking business acquisition investigations,
- cash flow/profit forecasting,
- improving the quality of local finance teams.

You will be professionally qualified (A.C.A. or A.C.M.A.), a graduate and in your mid/late thirties. Your career experience is likely to have been gained in a growth oriented environment and you must be able to demonstrate a record of successful financial management responsibility.

Sound technical competence must be supported by strong man-management and communciation skills. Commercial awareness and a well-developed business sense are also essential for the full development of this Financial Director role.

The remuneration package comprises a very competitive basic salary plus performance related bonus. Other benefits include a fully expensed executive car, private medical insurance and pension/life assurance plans. Relocation assistance is available.

Please write, quoting ref 1517, enclosing a full C.V. and salary details to:

Stephen J. Broadhurst, Michael Page Partnership, Clarendon House, 81 Mosley Street, Manchester M2 3LQ. Tel: 061-228 0396

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Oil Tax Specialists

Our client is one of the world's leading oil exploration companies whose expansion within recent years reflects both their stature in the industry and their active acquisitions programme. This has resulted in two vacancies within the tax department.

Senior Tax Advisor
To £35,000 + Car

Reporting directly to the Tax Manager, the successful candidate will be able to advise on all CT and PRT issues as well as negotiating with the O.T.O. The incumbent will possess a high degree of technical ability as advice must be given on a wide range of affairs including acquisitions, mergers and international group planning matters.

Tax Accountant
Circa £22,000

Ideally the candidate will be a qualified accountant and will have already had good experience of corporate tax issues. Exposure to a wide range of group tax matters including planning and one-off projects will be encountered. Experience of PRT work would be advantageous but is not essential. Excellent career prospects await the successful candidate.

Both positions will be based in the Group's modern West London offices. Interested applicants should contact **Graham King or Chris Nelson on 01-831 2000 (evenings 01-785 6545)** or write to them at the **Taxation Division, Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.** Strictest confidentiality assured.

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Challenging Opportunities at VSEL

Cumbria **up to £26,000 + car**

Vickers Shipbuilding and Engineering Limited has an established reputation for quality and innovation. The modern shipbuilding and engineering complex at Barrow-in-Furness, with the world's most advanced indoor build facility, employs over 12,500 highly skilled people, utilising sophisticated design capabilities and production technology. Its training and fleet support services enjoy international renown. With turnover approaching £400m and group trading profits last year of £17m it is now engaged in major changes to improve operating performance. The following appointments are significant in further developing the quality of financial decision-making.

Chief Accountant

Reporting to the Financial Controller, and with a total staff of 75, the post is responsible for the full range of management and financial accounts reporting, maintaining statutory records, cash flow forecasting and capital investment appraisal. Developing effective overhead controls and financial forecasting models will be key objectives, along with managing compilation of VSEL's five year plan.

The post calls for a qualified accountant, CA or CMA, with extensive accounting experience in a substantial manufacturing environment, including corporate financial planning. Ideally graduates aged 28-40, candidates must have energy and determination, supported by strong man-management and communications skills. R.164

Finance Manager - Systems

This is a new position, set up to develop a specialist group within the Finance Department. Reporting to the Financial Controller, initial tasks will be reviewing existing arrangements and establishing the direction of new information systems which will provide timely and accurate data for financial decisions. Implementation and ongoing assessment will be a major responsibility, liaising closely with the company's main computer department and with other senior finance staff.

Candidates should be graduates with a professional accounting qualification, CA or CMA, and wide manufacturing experience and a successful track record specialising in financial systems development, preferably in a large mainframe environment. Aged 28-40 they must demonstrate analytical skills and a fundamental appreciation of the end-user needs in a complex high-technology environment. R.165

Both appointments offer real career development opportunity with an attractive salary and benefits package, including relocation to this most attractive coastal area adjacent to the Lake District and Cumbrian Fells.

Please write in confidence, indicating the reference number, and giving concise career, personal and salary details to:
**Derran Sewell, Arthur Young, Corporate Resourcing,
Commercial Union House, Albert Square,
Manchester M2 6LP**

Arthur Young Corporate Resourcing
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

An outstanding financial management opportunity

NW London
£30,000+car

A leading supplier to the booming construction industry has created a new senior financial position to help introduce and implement ambitious plans for growth.

The group is widely diversified and multi-divisional. This is an exciting opportunity for a first-class financial executive to work closely with senior management at head office and in the divisions to develop plans for both organic growth and acquisitions. Reporting to the Group Finance Director, line management responsibility will be the control of a highly sophisticated accounts function with 80 staff including financial and management accounting and credit control.

Candidates must be graduate accountants, ideally chartered, in their mid-thirties who have gained substantial senior management experience in a large multi-site group. An ambitious, commercially aware approach plus the ability and confidence to create and communicate ideas is essential.

An attractive salary package will be negotiated to the figure indicated. Prospects for further advancement within the group are excellent.

Please write enclosing a full CV and salary details quoting reference MCS/2009 to Christopher Bainton
**Executive Selection Division
Price Waterhouse
Management Consultants
No. 1 London Bridge
London SE1 9QL**

Price Waterhouse

FINANCIAL DIRECTOR

c.£50,000 + Profit Share + Executive Package. Hertfordshire.

Currently enjoying rapid and sustained growth, this exceptionally prestigious multinational is seeking a highly skilled professional to assume the challenging role of Financial Director.

This Board-level opportunity has been created as a result of promotion as the previous incumbent has progressed to a senior management role in the US. Reporting to the Managing Director, your exceptionally broad sphere of influence will encompass the following areas:–

- ☐ Commercial negotiation with Government authorities
- ☐ Strategic restructuring of systems and reporting procedures
- ☐ Overall review of the DP function
- ☐ Treasury management and financial control

Candidates, ideally aged 35-45, will be Chartered Accountants with sufficient credibility to immediately command respect both from fellow board members and subordinates. Extensive commercial exposure is essential, together with Government liaison experience. In order to maximise the possibilities offered by this highly commercial role, you will need to be able to demonstrate a substantial track record of success in senior level line management.

The package fully reflects the importance attached to the position and will increase in line with the appointee's achievements and progression.

To learn more about this exceptional opportunity, please contact Phillip Price ACA, on 01-488 4114 or, alternatively, write in confidence enclosing a comprehensive CV to Mervyn Hughes International, Management Recruitment Consultants, 63 Mansell Street, London E1 8AN, quoting reference number A102.

INVESTMENT MANAGEMENT

ACA's Recently Qualified

☐ Professionalism ☐ City Exposure ☐ Training ☐ Variety

These are just some of the attractions of IMRO (Investment Management Regulatory Organisation Ltd) for the professionals currently in the IMRO team. IMRO now seeks to appoint a number of qualified ACA's to further complement its inspection and investigation staff.

IMRO has developed a strong dynamic team of professionals in preparation for its role as a Self Regulating Organisation centred upon regulation of Investment Management ranging from the major merchant banks to smaller independent concerns. This is a unique opportunity to gain first-hand knowledge of the sector.

These positions will be of interest to top calibre ACA's looking for a challenging and high profile role. IMRO pays competitive city salaries with a benefits package which includes mortgage subsidy.

For further details please contact **Paul Wilson on 01-404 5751** or write enclosing a curriculum vitae to Michael Page City, 39-41 Parker Street, London WC2B 5LH.

Michael Page City
International Recruitment Consultants
London Paris Amsterdam Brussels Sydney
A member of Addison Consultancy Group PLC

Financial Controller

Central London **£20,000–£25,000 + car**

This successful and aggressively expanding international leisure group has a turnover in excess of £600m. Specialising in tourism, particularly 'up-market' village resorts, the group has an impressive track record and has earned an enviable reputation for innovation, quality and reliability.

Headquartered in Paris, the group now seeks to make a strategically significant appointment to strengthen its existing UK management team.

A highly motivated and independent individual is sought to take firm control of the financial and administrative functions for the UK operation. Reporting to the UK Managing Director, you will be responsible for the provision of effective management information and contribute to the decision-making process.

With management responsibility for a small department, you will also co-ordinate further development of the computerised accounting systems.

A qualified accountant, aged 26-32, you have well-developed financial management experience, ideally gained in an international environment. You have the skills and maturity to motivate staff and to achieve results under pressure and, although not essential, the ability to speak French would be highly desirable.

Candidates should apply in writing, quoting current salary, to Sally Frampton,
Ref: 2017/FM/FT.

PA Personnel Services

Executive Search · Selection · Personnel Consultancy

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

Inspector - Computer Audit

**A major career opportunity
c£30,000+car and bank benefits
London**

The development of a number of major new computer systems has led to the creation of an additional position in Lloyds Bank's Computer Audit Section for an experienced computer auditor.

The successful applicant will lead a team in the recently established Development Audit Group. He/she will initially be responsible for ensuring that a major new branch system is developed with full security and controls, is auditable and has acceptable operational procedures.

Candidates, who should be in their 30s, must have strong inter-personal and communication skills and be able to negotiate with all levels of management. Ideally they should be qualified accountants with extensive computer audit experience in the banking sector and have sound knowledge of up to date computer auditing techniques, although candidates with a data processing background and similar experience will be considered. Particular emphasis is given to the experience of auditing the development of large and complex computer systems.

The remuneration package includes a quality car, six weeks' holiday per year, BUPA membership, profit sharing, subsidised mortgage facilities and preferential loan schemes. There are considerable opportunities for progression within the Bank.

Please reply with full CV and salary details, quoting MCS/4019, to Price Waterhouse, who are acting as our recruitment advisers on this position:
Miles Holford
Executive Selection Division
Price Waterhouse
Management Consultants
No. 1 London Bridge
London SE1 9QL

Lloyds Bank

A THOROUGHBRED AMONGST BANKS.

هكذا من الأصل

NYSE COMPOSITE CLOSING PRICES

Continued from Page 32

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
30⅝	14½	Wynns	.80	3.4	14	148	17⅞	17¼	17⅞	+⅝

X Y Z

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
65	50	Xerox	3	5.4	10	7553	56⅞	53¾	55¾	+2
58¼	52½	Xerox pf6.45		10.		164	53⅞	53¾	53⅞	+⅛
31½	18⅛	XTRA	.64	2.3	14	x77	27½	27⅛	27½	+¼
33⅞	17½	Yorkln			11	38	26½	25⅝	26¼	+¼
7¼	2¼	Zapata				146	3¼	3	3⅛	
37	13½	Zayre	.40	2.2	7	2799	18⅛	17¾	17⅞	−½
16⅝	8¾	Zemex	.40	4.0	13	25	10¼	10	10⅛	
33⅝	10	ZenithE				1070	15½	15	15½	+⅓
13½	2½	ZenLab				534	3	2¾	2¾	−¼
25½	13½	ZenNtl	.80	4.4	9	103	18¼	17¾	18¼	+½
20⅝	11⅝	Zero	.36	2.4	15	74	15	14¾	15	+¼
30¾	15	Zurnin s .68		3.1	15	150	22⅝	21⅝	22	+⅜
10⅝	7⅝	Zweig	1.08e	12.		384	9½	9¼	9⅜	+⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls – sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE CLOSING PRICES

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
[illegible]							

OVER-THE-COUNTER

Nasdaq national market, closing prices

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

Continued on Page 31

FINANCIAL CONTROLLER

North Midlands c.£22,000+Car+Benefits

Our Clients are an expanding manufacturing company, part of a successful Group. The company's future, including a period of planned development via both acquisition and organic growth, is to be an exciting and fast moving time.

A thoroughly competent and ambitious Financial Controller is essential to generate and control the company's further progression. Reporting to the Managing Director, you will take a senior role and be required to report upon all financial aspects of the business and take a close involvement in general management and all commercial decisions.

Other tasks will include the enhancement of financial computerised systems, the preparation of monthly accounts, budgets, cash flow forecasts and the recruitment and training of staff. An Accountant with a keen sense for detail and a hard-working approach is most likely to succeed in this post.

Applicants should be qualified Accountants with several years industrial experience, and must display the necessary commercial acumen and drive. A most attractive salary and benefits package is available. Please apply in writing with full career and salary history details, quoting reference B/100/088 to Louisa Chapman.

KPMG Peat Marwick McLintock
Executive Selection
Peat House, 45 Church Street, Birmingham B3 2DL.

FINANCIAL DIRECTOR

Transport and Liner Shipping Group

London c.£30K + bonus

Our client, a subsidiary of an International group with a reputation for high quality service and commitment to its market and staff, requires a Financial Director.

This is an exciting opportunity to join the Senior Management Team of a well established and highly successful Company.

Reporting to the Managing Director this position requires a qualified accountant with the experience and ability to influence and contribute to the future development of the Company, as well as the personal qualities to lead and motivate the team within the finance area using modern on line computing systems. Experience in the shipping industry is not essential.

Benefits include an executive car and a non contributory pension scheme.

We invite suitably qualified and experienced executives to contact Dr Brian Redman.

HWP

HAROLD WHITEHEAD & PARTNERS LTD
27 Harcourt House, 19 Cavendish Square, London W1M 9AB.
01-499 5342/5.

Financial controller

London, to £30,000 plus car

C&L

Our client is a market leader in 4GL software whose products are widely used by an impressive list of blue chip companies. The major subsidiary of it's US parent, the UK company has achieved a 50% increase in turnover to £10 million over the last year. Further growth prospects by way of market expansion, within the UK and via its European subsidiaries, and also by way of its highly active product development and acquisition programmes are excellent.

This rate of development in business activity now requires the addition of a first rate Controller to be responsible for the UK companies. Leading a team of eleven, the person will be required to give financial advice to the five Business Unit Managers and be fully responsible for accounting, management reporting, planning and treasury activities plus administration of the UK operations.

To join this high calibre team, the person should be a graduate trained accountant with at least three years' post qualification experience, preferably gained in a service company environment. A high order of communication skills, commercial acumen and computer awareness are also essential. Preferred age is around 30 years.

Prospects for expanding the role, in the near future, to encompass the European subsidiaries are excellent.

Résumés, including a daytime telephone number and current salary, to Chris Haworth, Ref. CH814.

Coopers & Lybrand Executive Selection

Coopers & Lybrand
Executive Selection Limited

Shelley House 3 Noble Street
London EC2V 7DQ

Financial controller

Kent, c£27,500 + car

C&L

An expanding and dynamic family owned property investment group of companies now requires a Financial Controller to support the Managing Director in the development of the business. The Group currently has over 300 residential units in London and Southern England with a market value of about £12 million.

Combined with general management tasks concerned with the business operations your prime role will be to head up a small team to be responsible for the accounting, management reporting, budgeting and planning, cash management, taxation, administration and secretarial duties for the eight companies of the Group.

The requirement is for a qualified accountant preferably with experience gained in a small service company environment. Experience of computerised accounting and corporate and personal tax submissions are necessary.

Based in a delightful location in the market town of Westerham close to the M25, this position should appeal to a person who would like to develop a promising and rewarding career within an informal and friendly close knit group and be professionally independent.

Résumés, with daytime telephone numbers, should be sent to Chris Haworth quoting reference CH851.

Coopers & Lybrand Executive Selection

Coopers & Lybrand
Executive Selection Limited

Shelley House 3 Noble Street
London EC2V 7DQ

FINANCIAL MANAGER

CENTRAL LONDON **Salary Negotiable from £25,000**

This fast growing international investment company plans to obtain a full listing in June 1988. As a result of recent and further planned acquisitions a new Head Office position is being created with responsibility for the production of financial and mangement information and also ad hoc investigations.

Suitable candidates will be dynamic ACAs with extensive micro-computer experience who have qualified with a major Firm and who seek an opportunity to expand their commercial horizons with an entrepreneurial company in the early stages of growth.

CVs with full salary history to:
Finance Director, AAA PLC, 64 Lincoln Inn Fields,
London WC2A 3JX Or, Fax to 01-831 6585

RECENTLY QUALIFIED ACA's

Our clients, who are leaders in the world of banking and stockbroking, require a number of qualified accountants for a range of responsibilities including: **Surveillance and compliance, management and financial accounting, corporate analysis and internal audit.**

If you have a good degree and feel that your qualifications and experience could be applied to any of the above, please telephone **John Lord on 977 8105 or David Jones on 0444 452209** or send C.V. to:

The City Resourcing Partnership
266 Bishopsgate,
London EC2M

Finance Director

(Designate)

London Package c£35K

Our client is European leader in an aspect of the marketing and design industry working with blue chip accounts.

They have in-house a diversity of sophisticated manufacturing processes and at the same time are service orientated. They have an outstanding record of consistent growth.

There is an opening for a Head of the Finance function, who must be practical and energetic in order to play an active role in the Senior Management team.

The position offers both variety and an exciting challenge; there is great scope for development after the initial thrust of improving basic financial disciplines. Further investment in DP systems is regarded as essential.

Candidates will be qualified accountants with solid manufacturing and commercial experience and proven staff management ability. They are likely to be ambitious and aged between 28-40. Additionally, more experienced operators will be considered who have the drive, dedication and enthusiasm to adopt a practical "shirt sleeves" approach to assist with company development plans.

Please write, in confidence, to Peter Willingham, quoting reference LM633 enclosing your c.v., current salary package and day time telephone number, at Spicers Executive Selection, 13 Bruton Street, London W1X 7AH.

SPICERS EXECUTIVE SELECTION
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

Group Chief Accountant

High Tech plc Bristol

Our client is a fast growing plc, with both manufacturing and distribution interests in high-tech, vertical market products. The pace of the core business and the rate of acquisition have created the need to appoint a qualified accountant at group level.

This is a challenging and exciting role, reporting to the Group Finance Director, heading a small team responsible for collating and reporting from all five finance centres and the preparation of group accounts. Included in the task is the development of controls and systems, transfer of funds and the group treasury role. The brief of the man or woman appointed will not finish with merely reporting the facts – there is a need to ask questions and to report on the true business picture. Some acquisition work is likely to be involved.

Candidates for this appointment should have had two to three years' post qualification experience and exposure to more than one environment, with an expectation of high standards of relevant reporting and control in a computerised company. Personal qualities must include an ability to operate with pace and urgency, management and communication skills, and the stature and presence to form effective relationships with subsidiary directors, and outside organisations.

The salary indicator is c£22,000 and the package will include a company car, and other benefits associated with a senior management role.

Please reply in the first instance, in writing, quoting ref. S1/501, to:

Lynne Crowden,
Simpson Crowden Consultants Limited,
Specialists in Executive Search and Selection,
97/99 Park Street,
London W1Y 3HA.

Simpson Crowden
CONSULTANTS

NEWLY QUALIFIED ACCOUNTANCY APPOINTMETS

Will Appear On Thursday 3rd March

For further Information
Call 01-248 8000

Tessa Taylor
Ext 3351

Deirdre Venables
Ext 4177

Patrick Williams
Ext 3694

Elizabeth Rowen
Ext 3456

Paul Maraviglia
Ext 4676

New Opportunity – High Growth Potential – Group Role

MEGGITT

Meggitt Holdings PLC
ENERGY ENGINEERING DIVISION

Financial Controller

Thames Valley to £30K+bonus+car

Meggitt Holdings PLC is an '80's success story in the engineering industry. From a turnover of under £4M five years ago, the group has grown dramatically both organically and through acquisition to a turnover approaching £200M.

Its Energy Engineering Division is a multi-site operation with a turnover of £25M, employing 600 people. We are seeking to appoint a Divisional Financial Controller who will report to the Divisional Managing Director, thus forming the lean divisional management team.

This role will include:–

- managing the financial affairs of the division
- analysing, interpreting and consolidating divisional results
- evaluating acquisition and strategic planning
- participating in operating company and divisional board meetings.

You will have had several years experience of an engineering, manufacturing or contracting company including three years as a financial controller/Director in a small/medium sized company.

The successful candidate will be a qualified accountant aged 30-40. Maturity, presence, commitment and enthusiasm together with good communication skills are essential.

The remuneration package will include a bonus, a fully expensed quality car, family BUPA and pension scheme.

If you can meet this challenge please submit your C.V. to
Wayne Thomas, Executive Division,
Michael Page Partnership,
Kingsbury House,
6 Sheet Street,
Windsor, SL4 1BG.

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Group Taxation Manager

West Midlands Salary c£26,000 + Benefits

The name of our client has become synonymous with the design, development, manufacture and marketing of high performance luxury saloon cars and specialist sports cars.

The group is committed to an intensive investment programme which has already enabled them to provide technologically advanced luxury motor cars to the world. Exhaustive market research and computer aided design techniques have ensured incisive penetration into the markets of the UK, Continental Europe, USA and Canada.

Reporting to the Treasurer you will be responsible for all UK tax matters and the group's tax planning strategy. The scope of the role includes direct involvement in the international tax issues of the USA and Canada. A strong communicator, you will be willing to apply technical skills in a commercial environment and keen to work in a small team often reporting directly to the Board.

We anticipate you will be a Graduate Chartered Accountant, with a minimum of 3 years post qualifying experience in tax and aged 28-45. In return you will enjoy a challenging role with outstanding prospects, high financial rewards and a full relocation package where applicable.

For further information please telephone Nigel Wright ACA, on 021-643 6255 or write to the Executive Division, Michael Page Partnership, Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST.

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

ASST. DIRECTOR OF FINANCE

c£30,000+car+bens

Our client, a prominent institution in the FINANCIAL Sector, require a motivated and versatile individual with a high level of post qualification experience, not above the age of 35. Executive, technical and supervisory roles to perform. Please apply for full specifications.

ACCOUNTANT to £20,000 for energetic, part-qualified in late 20's to control small client accounts for a young, progressive Public Practice. Also manage 2/3 book-keeping staff. London.

AUDIT SUPERVISORS/ASST. MANAGERS £18-20,000 packages. "Top 8" practice and medium W1 firm both offer tangible prospects and solid career path to thos with good exam. records.

Mike Morell, Meridian Rec Cons, 25 Museum St, WC1A 1JT 255-1555

GROUP FINANCIAL CONTROLLER

CITY

SALARY circa £30,000

PLUS CAR AND EXCELLENT BENEFIT PACKAGE

Bunge & Co Ltd are part of a major privately owned International Group with substantial UK interests which include international commodity trading, agricultural merchanting and edible oil processing and distribution, turning over £1 bn per annum.

Reporting to the Group Finance Director, you will assist him in monitoring and controlling the financial and business performance of the UK Group companies, including the provision and interpretation of financial information and be expected to contribute to the effective management of the Group.

Applicants, aged 28-33, must have a recognised accountancy qualification preferably chartered with a degree, and the potential to progress to a more senior position within the Company.

Please send a comprehensive CV, including full details of your current remuneration to the consultant Mr C J Hill

RA RYEDALE ASSOCIATES LTD
Hunter House, 57 Goodramgate, York YO1 2LS. Telephone: 0904 610657

هكذا من الأصل